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Advisory Committee on Administrative and Budgetary Questions

First report on the proposed programme budget for the biennium 1998-1999

General Assembly
Official Records • Fifty-second Session
Supplement No. 7 (A/52/7/Rev.1)

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ABBREVIATIONS

ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
IAEA	International Atomic Energy Agency
ICSC	International Civil Service Commission
ILO	International Labour Organization
ITC	International Trade Centre UNCTAD/WTO
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDIR	United Nations Institute for Disarmament Research
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNU	United Nations University
WFP	World Food Programme
WTO	World Trade Organization

PREFACE

1. The major functions of the Advisory Committee on Administrative and Budgetary Questions, as defined by the General Assembly in its resolution 14 (I) of 13 February 1946, are:

> "(a) To examine and report on the budget submitted by the Secretary-General to the General Assembly;
>
> "(b) To advise the General Assembly concerning any administrative and budgetary matters referred to it;
>
> "(c) To examine on behalf of the General Assembly the administrative budgets of the specialized agencies and proposals for financial arrangements with such agencies;
>
> "(d) To consider and report to the General Assembly on the auditors' reports on the accounts of the United Nations and of the specialized agencies."

The Advisory Committee also reports on the financing of peacekeeping operations. In addition, the Advisory Committee reports on administrative budgets and other matters to the governing bodies of UNDP, UNICEF, UNFPA, UNHCR (voluntary funds), UNEP (Environment Fund), the United Nations Habitat and Human Settlements Foundation, UNIDIR, UNITAR, UNU, WFP, the United Nations International Drug Control Programme and UNRWA.

2. Under rule 156 of the rules of procedure of the General Assembly, the members of the Advisory Committee, no two of whom shall be nationals of the same State, shall be selected on the basis of broad geographical representation, personal qualifications and experience.

3. The Advisory Committee has the following membership:

H.E. Mr. C. S. M. MSELLE (Chairman)
Mr. Leonid E. BIDNYI (Vice-Chairman)
H.E. Mr. Ahmad Fathi AL-MASRI
H.E. Mr. E. Besley MAYCOCK
Ms. Norma GOICOCHEA ESTENOZ
Mr. Ioan BARAC
Mr. Mahamane MAIGA
H.E. Mr. Giovanni Luigi VALENZA
Mr. TANG Guangting
Mr. Jose Antonio MARCONDES DE CARVALHO
Ms. Denise Joan ALMAO
Mr. Gerard BIRAUD
Mr. Ammar AMARI
Mr. Syed AKBARUDDIN
Mr. Fumiaki TOYA
Mr. Klaus STEIN

4. The present report contains the conclusions and recommendations arrived at by the Advisory Committee on the basis of the Secretary-General's proposals for the programme budget for the biennium 1998-1999, supplemented, to the extent possible, by additional information supplied orally or in writing by representatives of the Secretary-General. As in the past, provision is made in certain sections of the proposed programme budget for the biennium 1998-1999 for expenditures to which some Member States have objections in principle. Some members of the Committee have repeated those objections and stated their reasons therefor. At the same time, the Committee considered that the controversy concerning such items does not fall within the province of the Advisory Committee, which under rule 157 of the rules of procedure is "responsible for expert examination of the programme budget of the United Nations".

C. S. M. MSELLE
Chairman

Chapter I

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

GENERAL OBSERVATIONS

Conditions affecting the Advisory Committee's consideration of the proposed programme budget for the biennium 1998-1999

1. The Advisory Committee started its consideration of the proposed programme budget for the biennium 1998-1999 at the end of May 1997. The very late availability of the budget fascicles, the last of which was received by the Committee on 2 July 1997, forced the Committee to extend its spring session to 1 August 1997 in order to complete hearings on the proposals. The report of the Advisory Committee was drafted in August 1997, during which time a great deal of additional information required by the Committee was also sought, but, as indicated below, was not always received. Under these circumstances, the Advisory Committee could only start to consider its draft report in September 1997. In order to allow the speedy release of chapter I of the Committee's report, the Committee has decided to issue chapter II, containing detailed comments on the individual sections, separately.

2. Traditionally (as was the case in 1995 for the proposed programme budget for the biennium 1996-1997), the Advisory Committee is able to start its work on the proposed programme budget at the very beginning of May and is able to finish by mid-July. The Committee regrets that the circumstances described above did not allow such a proceeding. In this connection, the Committee recalls the requirements of financial regulation 3.5 and rule 103.5.

3. On 16 July 1997, the Secretary-General announced a programme for reform of the United Nations (A/51/950). The Advisory Committee understands that the related financial and programme budget implications will be available in the autumn of 1997. This situation has greatly complicated the task of the Committee in reviewing the Secretary-General's proposals for 1998-1999 and in submitting its report in a timely manner. Indeed, it will not be until after September 1997 that a complete picture of the Secretary-General's proposals will emerge. This, in turn, will greatly compress the time available for the Fifth Committee to consider and make its own recommendations on the various proposals related to budgetary requirements for the biennium 1998-1999.

Recent changes related to the programme budget process and procedure

4. The Advisory Committee fully shares the view of the Secretary-General in paragraph 45 of his report on renewing the United Nations: a programme for reform (A/51/950) that few institutional mechanisms have a greater impact on the strategic functioning and direction of any organization than its budgetary process.

5. The Committee points out that the medium-term plan for the period 1998-2001, as adopted by the General Assembly in its resolution 51/219 of 18 December 1996,[1] would require detailed objectives and activities to be contained in the proposed programme budget rather than in the medium-term plan. It also notes that there is now a clearer correspondence between the programmes of the medium-term plan, the Secretariat structures and the programme budget sections, thus allowing for a greater accountability of the programme managers for the implementation of the related activities. This should also allow for

better monitoring of programme implementation and improved presentation for performance reporting.

6. The situation that prevails in the consideration of the proposed programme budget for the biennium 1998-1999 (A/52/6) is more or less similar to the difficult circumstances under which the proposed programme budget for the biennium 1988-1989 was issued and considered (see para. 9 of the Committee's first report on the proposed programme budget for the biennium 1988-1989).[2] The proposed programme budget for the biennium 1994-1995 was also considered under difficult circumstances (see paras. 6, 7 and 9 of the Committee's first report on the proposed programme budget for the biennium 1994-1995).[3] The proposed programme budget for the biennium 1996-1997, although submitted in a timely manner, was adopted by the General Assembly under exceptional and difficult circumstances.

7. This Organization has been in an almost constant state of re-organization and financial difficulties since 1987 - 10 years. The preparation, approval and implementation process of the budget has become disorganized and the application of General Assembly resolution 41/213 of 19 December 1986 and the Financial Regulations has come under severe pressure; it has become increasingly difficult for the Advisory Committee and the Fifth Committee to discharge their respective functions properly. The constant state of financial difficulties, a very lengthy period of transition and the crippling effect of serious time constraints on all participants in the legislative process has led to a situation where budgetary approval comes about not as the result of an orderly process but rather as an achievement arrived at in an ad hoc manner often in the absence of sufficient data, analysis and justification. Decisions and resolutions arrived at under great pressure in the effort to achieve compromise have become increasingly complicated and ambiguous.

8. If this situation continues there is a danger that the balance between the role of the Secretariat and the various organs of the United Nations, as embodied in the Charter, will not function as intended. In this connection, the Advisory Committee notes paragraph 48 of the report of the Secretary-General (A/51/950), which reads:

> "The Secretary-General proposes that the General Assembly review the current distribution of functions and responsibilities between the two,with a view to restoring the balance that was envisioned when the Organization was established. He would welcome the opportunity to offer suggestions to the General Assembly in this regard."

The Committee believes that its comments above and in the paragraphs that follow should be borne in mind when considering proposals of the Secretary-General in this regard.

9. The Committee notes that a change is emerging in the process by which the proposed programme budget has hitherto been constructed and considered. Traditionally, the Secretary-General has prepared his budgetary proposals by costing mandated programmes with reference to an outline previously approved by the General Assembly by consensus. This is in accordance with Assembly resolution 41/213, which has been regularly reaffirmed. In its resolution 50/214 of 23 December 1995, the Assembly decided on an overall appropriation level for the programme budget for the biennium 1996-1997 that was below the respective budget outline, with the proviso that all approved programmes and mandates should be fully implemented. Since no prior analysis was made to ascertain whether the agreed budget level and full implementation of mandated

programmes were compatible, there is no way of knowing whether this proviso can be honoured.

The impact of savings and efficiency measures on the implementation of mandated programmes and activities

10. The Advisory Committee has pointed out that the United Nations administration has not been able to demonstrate that the effect of financial savings (principally, reductions in staff) on the quality of programme delivery can be mitigated through commensurate efficiency gains.[4] The Advisory Committee has also stated on a number of occasions that significant budgetary reductions cannot be achieved without service reductions, delays and postponement of programmes.[5] In this connection, the Advisory Committee recalls the statement of the Secretary-General in his report of 28 August 1996 (A/C.5/50/57/Add.1, para. 10), in which the negative impact on the delivery of a number of services and outputs is described. Indeed, neither the proposed programme budget for the biennium 1998-1999, nor the report on the review of efficiency (A/51/873) or the report on programme performance (A/C.5/51/53) support the claim that the full programmes and mandates called for by legislative bodies can in fact be carried out.

11. In 1996-1997, the Secretary-General should also have given a clearer explanation and analysis of how the savings required during that biennium by General Assembly resolution 50/214 were implemented. In order to comply with the General Assembly's oft-stated requirement since 1995 that full implementation of mandated programmes must not be affected, it should have been specifically demonstrated how greater efficiency avoided a negative impact on programmes; if this could not be done, it should have been openly stated.

12. In this connection, the Committee reiterates its previous statement that, should the Secretary-General be of the view that certain activities should no longer be carried out, or should be modified, or that priorities should be reordered so as to achieve the desired level of savings, it is incumbent upon him to make the necessary programmatic proposals to the General Assembly.[6] The Committee points out that the annex to the proposed programme budget for the biennium 1998-1999 on outputs deferred, postponed or curtailed in 1996-1997 and their disposition in 1998-1999 (A/52/6 (Part one) (Annex)) is a listing without any quantitative or qualitative analysis or justification.

Efficiency reviews

13. The Advisory Committee has continually demonstrated its concern for greater efficiency and the streamlining and reform necessary to achieve that goal. In this connection, in its report on the budget estimates for 1948, the Committee expressed the view that:

> "In an organization, it is salutary to have a budget which has elements of stringency. The quality of an organization will improve if its officials are under pressure to use resources wisely".[7]

In paragraph 18 of its first report on the proposed programme budget for the biennium 1996-1997,[8] the Advisory Committee stated its belief that the budget base should be critically scrutinized to ensure that it contained only those resources required to meet continuing needs.

14. The plans of the Secretary-General as they existed at the time of the preparation of the proposed programme budget for the biennium 1996-1997 have

been affected by the decisions of the General Assembly in its resolutions 50/214 and 50/215 of 23 December 1995, in which it approved the programme budget for the biennium 1996-1997. In its resolution 51/220 of 18 December 1996, the Assembly approved a budget outline for the biennium 1998-1999 on a different basis from that which had been proposed by the Secretary-General. Since then, the new Secretary-General has also announced his plans for reform and re-organization.

15. It is the view of the Advisory Committee that for efficiency measures to be successful, certain commonly recognized conditions must be fulfilled. These include:

(a) A climate of confidence between the Secretariat and Member States;

(b) The commitment and involvement at all levels of the staff of the Organization;

(c) A willingness to receive innovative proposals;

(d) Proper planning and assessment of each proposal, including the potential impact on programme delivery;

(e) The necessary resources required for implementation;

(f) A realistic time-frame for implementation;

(g) A means of measuring the expected short- and long-term benefits;

(h) A credible means of reporting.

16. In the opinion of the Advisory Committee, a number of these conditions were not met in the context of the managerial reform of 1996-1997, thus crippling its results. In this connection, the Committee recalls its previous comments as contained in paragraphs 44 to 47 of its first report on the proposed programme budget for the biennium 1996-1997.[8]

17. The challenge to the Secretariat is to develop the mechanisms to achieve efficiency, including how to assess the technical viability of the various proposals being considered and how to ensure coordination, transparency and the involvement of Member States. There is also a need to proceed in an orderly manner.

18. At the 59th meeting of the Fifth Committee, during the fifty-first session of the General Assembly, the Chairman of the Advisory Committee, in response to queries, indicated that the Committee would be examining the report entitled "UN 21 - Accelerating Managerial Reform for Results", submitted to the General Assembly by the Secretary-General in his letter dated 21 April 1997 to the President of the Assembly (A/51/873), in conjunction with its examination of the proposed programme budget for the biennium 1998-1999. In particular, the Committee would seek to verify the savings indicated in that report in the context of the various sections and departments (see A/C.5/51/SR.59). Such an examination was made during the Committee's hearings and is reflected in chapter II of the present report.

19. In the opinion of the Advisory Committee, the above-mentioned report, by its very nature, is not a budget document. Analysis of the report was made very difficult by the fact that it does not distinguish between regular budget,

extrabudgetary and peacekeeping expenditures and that it mixes, without clear identification and explanation, mandated budget cuts (such as those called for by the General Assembly in its resolution 50/214) with unspent, although approved, resources as well as expenditures that have been avoided. The Advisory Committee was informed in a number of instances that many of the estimates of cost reduction were notional. In this connection, the Advisory Committee points out that there is a difference between demonstrated true savings as against actual past or current appropriations and expenditures and the notional value of what might have been spent if something had or had not been done. Moreover, a true saving is achieved by reducing costs while continuing to produce the same or better programme results.

20. More detailed comments of the Advisory Committee on the report contained in the letter of the Secretary-General (A/51/873) are contained in chapter II; in some areas, the discussion is extensive - as, for example, with regard to the pilot projects in ECLAC and for the United Nations Office at Vienna and conference services. As can be seen from the specific discussion of individual sections under chapter II, in many cases examination of the statements in the report failed to establish the extent to which savings had specifically been taken into account in the formulation of the proposed programme budget for the biennium 1998-1999. There is almost no specific reference in the proposed programme budget to the impact of the efficiency savings on the estimates, although the Committee recognizes that not all proposed efficiency gains will touch on mandated programmes or require the approval of the intergovernmental machinery. Indeed, it appears to the Committee that, the budgetary reductions having already been decided upon by the General Assembly, many of the efficiency savings may be more in the nature of a response to the requirement to manage within reduced resources than the results of true increases in productivity. It remains to be seen whether these efficiency gains are sufficient in all cases to preserve high-quality programme implementation in the face of cost cutting.

21. In the opinion of the Advisory Committee, whether a budget is expanding or contracting, the strict requirements of budget analysis and justification must be maintained in accordance with a sound and well understood methodology that is consistently applied. A lowering of the standards that permit rigorous budget scrutiny and that ensure informed legislative oversight and decision-making must not be permitted. An economy that results in an unacceptable inferior product or lower standard of service is a false economy and the General Assembly must be given the technical data to assure itself that the estimates contained in the proposed programme budget are realistic and reliable.

Impact on mandated programmes and activities

22. As noted in paragraph 11 above, since 1995 calls by the General Assembly for reduced expenditures have been accompanied by the demand that there be full implementation of all mandated programmes. In order to assure itself of the foregoing, the Assembly has, on several occasions, requested reports on programme performance; these requests are described in paragraphs 1 to 4 of the report of the Secretary-General on the impact of approved savings measures on the implementation of mandated programmes and activities (A/C.5/51/53).

23. For its part, the Advisory Committee has consistently requested a proper analysis of the effect of budget reductions on programmes and activities. In its seventeenth report to the General Assembly at its fiftieth session, the Advisory Committee stated the following:

> "In order to allow for an evaluation of the Secretary-General's proposals, quantified information should have been supplied that could have been correlated to the narrative portions of the report. This lack of correlation does not allow the General Assembly to determine whether delays and postponements in delivery of programmes and reduction in quality/timeliness of support to intergovernmental organs are compatible with the terms of section II, paragraphs 4 and 6, of its resolution 50/214, which state that changes in mandated programmes and activities are the prerogative of the Assembly and that savings in the proposed programme budget for the biennium 1996-1997 will not affect the full implementation of mandated programmes and activities."[9]

24. In its second report on the programme budget for the biennium 1996-1997 the Advisory Committee, commenting on the Secretary-General's progress report on the programme budget for the biennium 1996-1997 (A/C.5/50/57/Add.1), indicated that although the proposed reductions were presented in what appeared to be a programmatic format, very little information was available on the related budgetary consequences, on why these particular changes were being proposed and on the impact of the changes on programme delivery.[10] In paragraphs 9 and 10 of the same report, the Committee stated its opinion that the Secretary-General's report had not made clear how the numerous deferrals, delays, postponements and cancellations in the approved programmes would affect the ability of the United Nations to carry out the mandates entrusted to it by the competent intergovernmental organs. The Committee also indicated that the Secretary-General's report left unclear whether the proposed changes in programmes were arbitrary or fortuitous in nature or whether they were the result of a determination based on a qualitative analysis, either by the Secretariat or through intergovernmental review.

25. In the opinion of the Advisory Committee, the report on the impact of approved savings measures on the implementation of mandated programmes and activities (A/C.5/51/53) does not represent much of an improvement for analysis in this area. The report is very general in nature and yet a number of statements are made, which despite the palliative intent of the last two sentences of paragraph 10 of the report, should give rise to concern.

26. For example, under section 2, it is indicated in paragraph 15 that if the measures taken were continued for too long, this would affect the Department's ability to develop comprehensive approaches to addressing political issues, under section 3, it is stated that owing to a lack of staff resources, the Department of Peacekeeping Operations had not been able to manage peacekeeping operations effectively and, in some cases, had limited its efforts to provide an adequate crisis response. Under section 17, it is stated that the increased workload for the existing staff did not allow for full response to additional demands of Member States and affected the quality and timeliness of outputs.

27. The statements of the Advisory Committee that reductions of the magnitude called for could not be achieved without service reductions and delays and postponement of programmes and that a deterioration in quality of services and timeliness of delivery would also be involved[11] (see also para. 10 above) appear to have been borne out by events.

28. Important new initiatives are proposed in the report of the Secretary-General on reform (A/51/950). This report was issued near the end of the Advisory Committee's spring session. The Committee intends to take up the Secretary-General's proposals for reform concerning administrative, organizational and management issues in the context of revised estimates to be

submitted to the General Assembly at its fifty-second session. In the opinion of the Committee, it will be difficult to consider many of these proposals adequately, including the reduction of administrative costs (with reprogramming of the savings), and "result-based" budgeting, unless a reliable system is developed to measure the impact of budgetary change on programme delivery.

29. The Advisory Committee recognizes, however, that more also needs to be done to improve the format of the programme budget so as to enable an analysis of the basic resources required to implement each mandated programme or activity to the satisfaction of Member States, and to permit subsequent incremental reductions or increases to be compared for their impact on programme delivery.

Further measures

30. In the opinion of the Advisory Committee, legislators must be given the data and analysis necessary for them to reach an informed decision. To that end, the Advisory Committee recommends the following:

(a) An analysis of the effect of efficiency and other measures on programme delivery should be undertaken in the context of the second performance report and the programme performance report. Also, means should be found to allow an integrated evaluation of those reports. The analysis should, inter alia, document and justify claims such as those made in the letter dated 21 April 1997 from the Secretary-General to the President of the General Assembly (A/51/873) in strict budgetary terms by source of funding (regular budget, extrabudgetary resources or support account for peacekeeping operations), taking into account the comments and observations of the Advisory Committee and such further guidance as the General Assembly may wish to give. Projected savings should be clearly identified as arising from either the elimination of duplication, the proposed termination of marginally useful programmes or the demonstrated achievement of greater productivity. The programme analysis should be along the lines repeatedly called for by the Advisory Committee and the Assembly; the effect of budget reductions on programmes should be explained both in terms of volume and quality;

(b) The idea of "result-based" or "output" budgeting, as put forward in paragraphs 45 and 46 of the report of the Secretary-General on renewing the United Nations: a programme for reform (A/51/950) needs to be followed up with a detailed report that would include an explanation and justification of the proposed change, and of the new methodology to be used, as well as a mock-up of such a budget. In that connection, the Advisory Committee recalls paragraph 21 of General Assembly resolution 51/221 B of 18 December 1996, in which the Assembly decided that no changes to the budget methodology, to established budgetary procedures and practices or to the financial regulations can be implemented without prior review and approval by the General Assembly, through the Advisory Committee, in accordance with agreed budgetary procedures. The Advisory Committee expects that the Administration will comply fully with that decision and that until the Committee receives the mock-up no change will be made. There should also be an indication of what regulations, procedures and information systems (including performance indicators) should be in place before the introduction of output budgeting. Detailed proposals should also be submitted for approval by the General Assembly in respect of any other budget innovations that may be contemplated before these ideas are implemented. As indicated in paragraph 45 below, the requested analysis of the "net budgeting" concept still has not been received. The Advisory Committee's comments on plans to promote greater flexibility and the "charge-back" concept are discussed in chapter II with regard to the pilot projects at the United Nations Office at

Vienna, ECLAC and in conference services. The treatment of common and joint services such as those at the Vienna International Centre is also discussed in chapter II;

(c) The proposal for a one-third reduction in administrative expenses, as put forward in the three related reports (see A/51/829, A/51/873 and A/51/950), needs to be followed by a detailed report, which would:

(i) Define administrative expenses and "non-programme" costs;

(ii) Back up with a sound technical justification the assertion that these expenses comprise 38 per cent of the budget;

(iii) Indicate a concrete plan and timetable for the phasing-in of this reduction each year until the end of 2001;

(iv) Indicate measures to be taken to effect the reduction, for example, streamlining, merging of Secretariat units and simplification of processes;

(v) Indicate the impact of such a reduction on support and other services to programmes and to United Nations operations and how it could be ensured that these will not have an adverse effect on the control and oversight capacity of United Nations bodies;

(vi) Describe the procedures that would be put in place to redeploy savings and to determine how such savings would be spent;

(d) The Secretariat should be held strictly accountable for the timely submission of requested documentation, thus helping to assure a thorough, orderly review and consideration by the General Assembly and its subsidiary organs.

31. In the opinion of the Advisory Committee, there is also the need to correct a recent tendency to confuse parliamentary documentation with documents for the public. Parliamentary documents prepared by the Secretariat for legislative decision-making are for Member States; there is a separate system for informing the public and the information requirements for each are quite distinct. Proposals in parliamentary documentation meant for Member States must be supported by technical analysis and justification; broad statements and anecdotal evidence are not sufficient. In addition to the foregoing, measures are also needed to correct an impression that has arisen in the General Assembly in recent years that the legislative process is, on occasion, in danger of being compromised by some of the efforts to gain broad public acceptance for the Secretariat's initiatives. It is, of course, well understood that wide dissemination and explanation of policies and practices of the Organization, as approved by the competent legislative body, is an activity to be encouraged, in particular by the public information services of the United Nations. However, the Secretariat, especially programme managers, should also bear in mind that the consideration of proposals from the Secretariat is the prerogative of all Member States.

Overall position of the Advisory Committee on the initial estimates for the biennium 1998-1999

32. As can be seen from the preceding paragraphs, there are numerous uncertainties remaining with regard to the proposed programme budget for the biennium 1998-1999. Chief among these is the impact the proposals for reform may have on the estimates for 1998-1999 once those proposals have been acted upon by the General Assembly.

33. The specific observations and recommendations of the Advisory Committee under the individual sections of the budget, which will appear in chapter II of the present report, are directed mainly at the management of change, at what is needed to promote the full and efficient implementation of the various legislative mandates and directives. In addition, the Committee has made specific recommendations on the Secretary-General's proposals for new posts and for reclassifications, as well as under other objects of expenditure. The Committee will submit its preliminary recommendations on the initial overall level of the proposed programme budget for the biennium 1998-1999 in the context of chapter II. The Committee will, of course, revert to the proposed programme budget for the biennium 1998-1999 when it further examines the Secretary-General's proposals for reform contained in his report (A/51/950), the related revised estimates as they reflect such action as the General Assembly may have taken on those proposals and other relevant reports. These include the report of the Secretary-General on proposed measures to deal with the impact of fluctuations on currency and inflation (subsequently issued as A/C.5/51/57), which was not available when the Advisory Committee considered the initial estimates for the biennium 1998-1999, and the report of the task force on the reorientation of the United Nations public information activities. The Committee recalls that the report on currency and inflation was requested by the General Assembly in paragraph 10 of its resolution 51/220, and was to be submitted to the Committee no later than 31 May 1997.

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

34. For the biennium 1998-1999, the Secretary-General proposes a programme budget in the amount of $2,582,999,800 for the expenditure sections and $369,512,100 for the income sections. On a net basis, the estimates for 1998-1999 amount, therefore, to $2,213,487,700. In the following table the estimates for 1998-1999 are compared with the revised appropriations for 1996-1997, as approved by the General Assembly in its resolution 51/222 of 18 December 1996, and with the actual expenditure in the biennium 1994-1995.

Proposed programme budget, 1998-1999

(Thousands of United States dollars)

	Actual expenditure and income 1994-1995 (1)	Revised appropriation 1996-1997 (2)	Estimates 1998-1999 (3)	Total increase 1998-1999 over 1996-1997	
				Col. (3) - (2) (4)	Col. (4)/(2) percentage (5)
Expenditure	2 632 016.5	2 603 280.9	2 582 999.8	(20 281.1)	(0.8)
Income	448 966.6	447 737.6	369 512.1	(78 225.5)	(17.5)
Net	2 183 049.9	2 155 543.3	2 213 487.7	57 944.4	2.7

35. The Secretary-General's programme budget proposals for the biennium 1998-1999 cover the regular budget of the Organization. The estimates of extrabudgetary resources that are likely to be available to the United Nations in the coming biennium are also given; updated figures provided to the Advisory Committee on the data from table 1 of the introduction to the proposed programme budget (A/52/6 (Part one) (i)) indicate a total of $4,350,129,500, comprising $361,444,000 for support, $306,921,700 for substantive activities and $3,681,763,800 for operational activities. The grand total, including the net estimate for the regular budget, is therefore $6,563,617,200.

36. The estimates do not include the costs of peacekeeping operations and the International Tribunals for the Former Yugoslavia and Rwanda, which are funded separately. The Advisory Committee was informed that for 1996-1997 actual and projected assessments on Member States in respect of peacekeeping operations, excluding the costs for special missions covered under the regular budget, are expected to total $2.5 billion.

Format

37. The Advisory Committee notes that the format of the proposed programme budget for the biennium 1998-1999 remains basically unchanged from that of 1996-1997. In this connection, the Committee recalls that it recommended, in the context of its review of the proposed programme budget for the biennium 1996-1997, that a complete set of organigrams (including one for the Organization as a whole) be provided in part two for each organizational unit, both for present and proposed structures. The Committee received organigrams during the consideration of the individual sections of part two and understands that these will be incorporated in the revised text of the proposals. In this connection, the Committee reiterates its call for the Secretary-General to

> "explain better the rationale adopted for the present administrative structure of the Secretariat, including definitions for the different administrative units (divisions, branches, services, sections, etc.), the criteria for their establishment and operations and how they relate to each other. A better definition of the administrative units would make more transparent the rationale for the grading of the staff in charge of each unit".[12]

38. The Advisory Committee notes that the recommendation it made in paragraph 6 of its first report on the proposed programme budget for the biennium 1996-1997,[8] to identify estimates for hospitality separately, has been followed.

The Committee notes a certain lack of uniformity in the presentation of various expenditures: in some sections of the programme budget a particular expenditure is presented under the programme of work and in other sections that expenditure is reflected under programme support. The Committee requests the Secretary-General to ensure full uniformity in the presentation of various expenditures in the next programme budget.

39. The Advisory Committee has a number of additional comments to make following its consideration of the estimates for the biennium 1998-1999. The Committee points out that the programmatic, administrative and budgetary reasons for and the effect of many of the numerous organizational changes that have already taken place have not been sufficiently highlighted or explained in the proposed programme budget for the biennium 1998-1999, thus making it difficult to understand the estimates. Of course, at the time these estimates were prepared there was still much to be done concerning further organizational changes, a number of which have now been announced or proposed in the report of the Secretary-General (A/51/950). The Committee expects that the revised estimates, to be submitted to the General Assembly during its fifty-second session, will contain a complete explanation of all relevant organizational changes.

40. The Advisory Committee believes that it would be useful for the proposed programme budget to contain a summary of relevant recommendations of the Committee, as approved by the General Assembly, and in each case the action that has been taken; this is currently being done in reports on the financing of peacekeeping operations. In order to allow for a more in-depth examination of the impact of budget changes on programmes, proposals under the various sections of the budget should include much more specific information on outputs, including a tabular summary of all quantifiable outputs; this should be available as a basis for future performance appraisals by the Assembly. In the opinion of the Committee, there is a need to review the presentation of those budget sections in which the bulk of resources are extrabudgetary and are under the supervision of intergovernmental bodies to which the Committee reports separately. The budget narratives in those sections should be streamlined, with the focus on how the regular budget supports the extrabudgetary operations. The tabular presentation of statistical information should remain.

41. In order to streamline the narration, efforts should be made not to repeat information already contained in tabular form. The budget presentation can be further improved if it includes specific information on the cost to the United Nations for data access. The Advisory Committee notes that the budgetary treatment of gratis personnel will be in accordance with such decisions as the General Assembly may take at its resumed fifty-first session.

Methodology

42. As indicated in paragraph 175 of the introduction to the proposed programme budget (A/52/6 (Part one) (i)), the methodology followed for the preparation of the proposed programme budget is the same as that used for the previous biennium and endorsed by the General Assembly in section III of its resolution 47/212 A of 23 December 1992. However, one change has been made whereby the use of a delayed recruitment factor (50 per cent for new posts in the Professional category and above and 35 per cent for new General Service posts) has been dispensed with so that all posts, existing and new, are costed at a rate of 95 per cent for posts in the Professional category and above and 97.5 per cent for General Service posts (see paras. 57 and 58 below). The Advisory Committee also observes that as the number of 10 new posts proposed for 1998-1999 is low

relative to the total number of existing posts proposed for continuation, the change has only a negligible effect on the level of the overall estimates submitted. Under the circumstances, the Committee will not interpose an objection at this time. However, the matter should be kept under review and the delayed recruitment factor should be reinstituted in future bienniums should there be proposals for large numbers of new posts.

Net budgeting

43. In paragraph 12 of the introduction, the Secretary-General indicates that the proposed programme budget includes provision for net budgeting for the International Civil Service Commission and its secretariat, the Joint Inspection Unit and its secretariat and the services provided by the United Nations at the Vienna International Centre. Provisions for those activities were previously presented in programme budgets on a gross basis under the relevant expenditure sections with the corresponding reimbursement income from participating agencies shown in income section 2.

44. Although these proposals would significantly affect a number of individual sections or subsections of the programme budget, as well as the overall level of expenditures and composition of the regular budget, virtually no explanatory information is provided beyond the statement that the change in presentation "leads to a reduction of $39.2 million". The Advisory Committee notes that the proposals follow suggestions made to the General Assembly at its fifty-first session in the context of the proposed programme budget outline for the biennium 1998-1999 (A/51/289). The Committee points out that in response to the proposal to present only net United Nations requirements in the relevant expenditure sections for jointly financed activities, the Committee had reported that the related reduction resulting from the introduction of net budgeting would not represent a real decrease in the overall budget since under the current procedure that amount was recovered in any case and shown under income section 2 (A/51/720, para. 6).

45. The Advisory Committee recalls that, in the same report (ibid., para. 7), it had requested that the Secretary-General seek approval prior to submission of the proposed programme budget for the biennium 1998-1999 by way of a policy paper detailing implications, if any, with respect to the statutes of the Joint Inspection Unit and the International Civil Service Commission. No paper was provided and in the absence of any specific decision by the General Assembly the same issues remain outstanding. Among them, for example, are the requirements of article 20 of the statute of the Joint Inspection Unit and of article 21 of the statute of the International Civil Service Commission that their respective budgets be included in the regular budget of the United Nations. Another is the question of a legal basis for the United Nations, in the absence of an appropriation, to advance funds to the entities concerned, pending receipt of contributions from the participating agencies. Since the Assembly would only appropriate an amount equivalent to the United Nations share of the budgets of those entities, some mechanism would have to be found to enable the United Nations to continue its current funding practices for them. The Committee reiterates the request made in its report (A/51/720) that the Secretary-General be requested to produce proposals to ensure the required cash flow for the entities concerned; he should also address the issue of the status of the budgets of the International Civil Service Commission and the Joint Inspection Unit as now presented in the new budget format vis-à-vis the requirements of their respective statutes. A clear format for the presentation of the related budgetary proposals (including relevant staffing tables) also needs to be developed (see para. 71 below). Pending the receipt of the requested report and

a specific decision by the Assembly on the concept of net budgeting, the status quo should be maintained.

46. In paragraph 20 of its first report on the proposed programme budget for the biennium 1996-1997,[8] the Advisory Committee pointed to the need for clear criteria to govern future proposals for "contracting out". This subject is discussed in greater detail under section [illegible] of chapter II.

47. The Advisory Committee recalls its statement in paragraph 23 of its first report on the proposed programme budget for the biennium 1996-1997 that:

> "There is a need to recall again (as it did in paragraph 16 of its first report on the proposed programme budget for 1994-1995) the provisions of section VI of resolution 45/248 B of 21 December 1990, in which the General Assembly:
>
> "'1. Reaffirms that the Fifth Committee is the appropriate Main Committee of the General Assembly entrusted with responsibilities for administrative and budgetary matters;
>
> "'2. Reaffirms also the role of the Advisory Committee on Administrative and Budgetary Questions;
>
> "'3. Expresses its concern at the tendency of its substantive Committees and other intergovernmental bodies to involve themselves in administrative and budgetary matters;
>
> "'4. Invites the Secretary-General to provide all intergovernmental bodies with the required information regarding procedures for administrative and budgetary matters.'"[8]

ANALYSIS OF EXPENDITURE ESTIMATES FOR THE BIENNIUM 1998-1999

48. As noted in paragraph 34 above, expenditure estimates for the biennium 1998-1999 amount to $2,582,999,800 (taking into account "net budgeting"), as compared with revised appropriations of $2,603,280,900 for the biennium 1996-1997, approved by the General Assembly in its resolution 51/222. This represents a decrease in nominal terms of $20,281,100 or 0.8 per cent (a resource reduction of $124 million or 4.7 per cent and a recosting increase of $104 million). It compares with a nominal increase of $78,793,400 or 3.0 per cent for the initial estimates for the biennium 1996-1997 over the revised estimates for the biennium 1994-1995.

49. The calculation of the level of the proposed programme budget for the biennium 1998-1999 is shown below:

	Thousands of United States dollars	Percentage
1996-1997 revised appropriation (General Assembly resolution 51/222)	2 603 280.9	100.0
Budgetary growth	(123 982.3)	(4.8)
Provision for recosting, i.e., exchange rate adjustment of 1997 over 1996 and projected inflation in 1997, 1998 and 1999 (see paras. 63 and 64 below)	103 701.2	4.0
Proposed programme budget for the biennium 1998-1999	2 582 999.8	99.2

50. The budget resource reduction of $123,982,300 can be broken down as follows:

	United States dollars
Provisions not carried over from 1996-1997	(56 416 700)
Delayed impact relating to new posts in 1996-1997	7 670 000
Application of the new standardized vacancy rates (see paras. 57 and 58 below)	88 180 800
Reductions in the proposed programme budget	(163 416 400)
Total	(123 982 300)

51. Provisions of $56,416,700 not carried over from the biennium 1996-1997 include the following:

Description	Thousands of United States dollars
Special missions	49 789.1
Global conferences	
United Nations Conference on Human Settlements (Habitat II)	680.5
Combating desertification	1 842.1
International Seabed Authority	3 993.7
International Court of Justice	111.3

52. The bulk of items not carried over from the biennium 1996-1997 relate to special missions, which were provided for under section 3 of the programme budget. Provisions for a total of 19 ad hoc missions were approved by the General Assembly at either its fiftieth or fifty-first session. Seven of these missions, representing $47.2 million of the costs not carried over, were authorized on the basis of either Security Council or General Assembly mandates. The remaining 12 ad hoc missions, costing a total of $2.6 million, were relatively much smaller in size and had been authorized by the Secretary-General under the authority granted to him by the Assembly in its resolutions on unforeseen and extraordinary expenditures. These missions were reported to the Assembly at its fifty-first session in the context of the first performance report for the biennium 1996-1997 (A/C.5/51/38).

53. As to the provisions not carried over in respect of global conferences, it may be noted that, as the United Nations Conference on Human Settlements (Habitat II) was held in 1996, no further requirements will arise in this respect in the forthcoming biennium. The amount of $1.8 million not being carried over in respect of desertification reflects the current expectation that, pursuant to the provisions of General Assembly resolution 51/180 of 16 December 1996, there will be no further need to fund the Interim Secretariat of the United Nations Convention to Combat Desertification beyond the end of 1998.

54. Approximately $4 million of costs in respect of former section 33 will no longer be required in the forthcoming biennium as a result of the International Seabed Authority's assuming full responsibility for its own financing as an autonomous entity.

55. The 1996-1997 provision of $111,300 for International Court of Justice costs not carried over reflects the appointments of ad hoc judges in four cases, as reported to the General Assembly in the first performance report for the biennium 1996-1997 (A/C.5/51/38).

Delayed impact

56. Delayed impact relating to new posts in the biennium 1996-1997, which amounts to $7.7 million, became a mandatory increase in the biennium 1998-1999 after the General Assembly adopted the recommendation of the Advisory Committee to discount a provision for delayed recruitment of staff in connection with new posts approved for the biennium 1994-1995. The delayed recruitment factor is 50 per cent for posts in the Professional category and above and 35 per cent for posts in the General Service and related categories, in 1996-1997, but as indicated under the discussion of methodology above, is being dispensed with for 1998-1999.

New vacancy rates

57. Application of the new standardized vacancy rates accounts for an increase of $88.2 million. The revised vacancy rates proposed by the Secretary-General for the biennium 1998-1999, at 5 per cent for the Professional category and above and 2.5 per cent for General Service and related categories, are lower than in the recent past. The new rates, as proposed, compare with an across-the-board rate of 6.4 per cent utilized in costing the initial 1996-1997 appropriation. The rates may also be compared with the actual vacancy rates realized in the biennium 1996-1997, which have exceeded 10 per cent as a result of the application of a recruitment freeze. They are, however, much closer to the long-term rates realized in previous bienniums when programme managers were

free to utilize approved staffing tables fully. It should be noted that the General Assembly, by its decision 51/456 of 18 December 1996, requested the Secretary-General to review the need for the general recruitment freeze and to oversee and monitor all recruitments, appointments, placements and promotions through the Office of Human Resources Management of the Secretariat, taking into account the need to recruit from unrepresented and underrepresented Member States and to achieve gender balance. The freeze, which began on 15 September 1995, lasted until 21 April 1997. The Advisory Committee points out that the maintenance of high vacancy rates, besides requiring the application of recruitment freezes and disrupting the smooth operation of recruitment processes, also seriously hampers the delivery of mandated programmes. It is for this reason that the Committee supports the return to a set of lower vacancy rates that should permit the utilization of staffing tables as approved without the need for recruitment freezes. In the opinion of the Committee, the use of vacancy rates should be restricted to the budget formulation phase when the estimates are prepared.

58. As noted in the previous paragraph, the adjustment of vacancy rates has had a significant effect on the level of the related estimates required to fund approved posts. In this connection, it may be noted that the Secretariat made two significant adjustments in costing the staffing tables contained in the proposed estimates. The first step was to take as a starting point the ad hoc vacancy rates implicit in the revised appropriation for 1996-1997 and to estimate the cost of reverting from those rates to a 6.4 per cent vacancy rate. This factor amounted to some $38.6 million of requirements. The second step was then to apply the new vacancy rates (5 per cent Professional, 2.5 per cent General Service) to the staffing table proposed for the biennium 1998-1999. This second adjustment added a further requirement of $49.6 million. As a result of these two adjustments a total provision of $88.2 million was incorporated within the proposed estimates.

Budget reductions

59. The estimates shown under "reductions in proposed programme budget" at revised 1996-1997 rates show a decrease of $163,416,400. A breakdown by main object of expenditure shows the following increases and decreases in order of magnitude:

	Thousands of United States dollars
Decreases	
Posts	197 526.5
General operating expenses	13 675.5
Supplies and materials	1 661.4
Other staff costs	1 376.0
Grants and contributions	896.1
Non-staff compensation	90.8
Subtotal (1)	215 226.3
Increases	
Other expenditures	32 594.0
Contractual services	6 590.1
Alterations and major maintenance	5 421.0
Furniture and equipment	4 017.9
Consultants and experts	3 011.0
Travel	175.9
Subtotal (2)	51 809.9
Total decrease (1)-(2)	163 416.4

60. The deduction under posts is $197,526,500, of which $121,289,700 relates to salaries for established and temporary posts, $48,273,900 is for common staff costs and $27,962,900 is for staff assessment.

61. The Advisory Committee requested the following information on the components of common staff costs by duty station, which are standard rates expressed as a percentage of salaries.

Composition of realized common staff costs for 1994-1995 as a percentage of salaries

Duty station	New York	Geneva	Bangkok	Santiago	Mexico	Port-of-Spain	Addis Ababa	Amman	Vienna	Nairobi	International Court of Justice
Total	41.0	32.3	40.5	41.4	38.2	37.7	74.4	70.9	34.1	58.2	30.9
Components											
Staff allowances[a]	3.0	3.6	4.4	5.2	5.4	6.2	18.1	17.8	2.4	12.9	2.2
Social security payments[b]	25.7	20.1	21.4	23.6	23.0	22.5	26.4	24.5	22.0	21.4	21.0
Education grants	3.4	2.2	4.7	3.1	2.8	2.4	13.7	10.9	2.9	7.1	1.3
Home leave	1.5	0.8	0.9	0.4	0.7	1.0	5.5	1.5	1.4	3.1	0.5
Appointments[c]	1.1	0.7	1.6	0.6	1.1	3.2	4.2	1.3	1.4	2.2	2.6
Separation[d]	4.8	4.3	5.2	6.7	3.4	0.4	4.5	7.7	3.0	6.4	2.9
Other payments[e]	0.7	0.2	1.1	0.3	0.2	1.1	1.3	4.2	0.5	4.4	0.4
Transfer[f]	0.7	0.4	1.2	1.5	1.5	0.9	0.7	2.9	0.5	0.7	-

[a] Dependency, assignment, hardship, mobility and hazardous duty station allowances.

[b] Contributions to pension, medical insurance and compensatory payments.

[c] Travel on appointment, travel on interview, removal of household effects and insurance on shipments of effects.

[d] Travel on separation, removal of household effects, repatriation grants, commutation of annual leave and termination indemnities.

[e] Rental subsidies, family evacuation travel and taxi fares.

[f] Travel on transfer, assignment grant, removal of household effects, shipment and residential security measures.

62. As regards the 1998-1999 estimates by main object of expenditure, the Advisory Committee was informed that the net decrease of $1,376,000 under "other staff costs" was composed of the following:

Increases	
General temporary assistance	5 046.5
Personal service contracts	1 848.0
Other personnel-related costs	678.8
After-service health insurance	5 096.3
Compensatory and lump-sum payments	38.6
Daily mission subsistence allowance	203.5
Subtotal (1)	12 911.7
Decreases	
Temporary assistance for meetings	13 840.3
Overtime and night differential	447.4
Subtotal (2)	14 287.7
Net decrease (1)-(2)	1 376.0

Recosting

63. The total estimate under recosting is $103,701,200. The results of recosting represent adjustments to the estimates at revised 1996-1997 rates in order to recalculate the level of resources at 1998-1999 price levels. The difference in rates between the two bienniums reflects both projected changes in price levels between the bienniums and the application of revised exchange rates. Thus, the $103.7 million for recosting reflects the net effect of $125,399,100 additional requirements in respect of inflation, offset in part by $21,697,900 of reduced requirements as a result of currency fluctuations.

64. In this connection, it will be recalled that, consistent with established practice, the revised appropriation for 1996-1997 reflects actual exchange rates experienced in the first year of the biennium (1996) and projected rates for the second year (1997) based on the rate realized in December 1996. As the established methodology calls for the use of a single rate of exchange to be projected on the basis of second-year rates, it is necessary to adjust for differences in exchange rates between the two years. As a generally stronger United States dollar exchange rate was used for 1997 than for 1996, the application of a single 1997 rate to costing of the 1998-1999 budget has the effect of reducing overall United States dollar requirements. The total amount that results from recosting represents 4 per cent of the revised 1996-1997 appropriation. Projections of rates of exchange and inflation are contained in table 11A of the introduction to the proposed programme budget (A/52/6 (Part one) (ii)). The elements in recosting are:

	United States dollars
1996 exchange rates to 1998 exchange rates	(21 697 900)
1998-1999 inflation over 1996 and 1997	125 399 100
Total	103 701 200

The Committee points out that, in accordance with established practice, there will be a further recosting in December 1997.

PROPOSED ALLOCATION OF RESOURCES AND POSTS IN 1998-1999

65. As presented in paragraphs 9 and 21 of the introduction to the proposed programme budget (A/52/6 (Part one) (i)), the distribution of the expenditure estimates and posts for the biennium 1998-1999 by budget part is illustrated below:

Proposed allocation of resources and posts in 1998-1999

		Resources (Thousands of United States dollars)				Established and temporary posts			
		1996-1997		1998-1999		1996-1997		1998-1999	
Budget part		Amount	Percentage	Amount	Percentage	Number	Percentage	Number	Percentage
I.	Overall policy-making, direction and coordination	35 890.2	1.4	38 622.8	1.5	122	1.2	117	1.3
II.	Political affairs	199 361.4	7.7	164 873.2	6.4	729	7.3	641	7.3
III.	International justice and law	50 240.4	1.9	55 555.8	2.2	202	2.0	199	2.3
IV.	International cooperation for development	294 297.3	11.3	302 338.1	11.7	1 324	13.2	1 209	13.7
V.	Regional cooperation for development	351 834.5	13.5	399 362.6	15.5	2 165	21.6	1 982	22.4
VI.	Human rights and humanitarian affairs	134 400.1	5.2	138 646.4	5.4	570	5.7	522	5.9
VII.	Public information	134 323.9	5.2	140 327.6	5.4	822	8.2	740	8.4
VIII.	Common support services	938 164.3	36.0	904 192.9	35.0	3 933	39.4	3 347	37.8
IX.	Internal oversight	15 011.5	0.6	18 637.3	0.7	81	0.8	82	0.9
X.	Jointly financed administrative activities and special expenses	68 834.2	2.6	59 949.6	2.3	64	0.6	-	-
XI.	Capital expenditures	28 648.8	1.1	35 893.4	1.4				
XII.	Staff assessment	348 280.6	13.3	324 600.1	12.5				
XIII.	International Seabed Authority	3 993.7	0.2	-	-				
	Total	2 603 280.9	100.0	2 582 999.8	100.0	10 012	100.0	8 839	100.0

PERSONNEL MATTERS

66. The staffing resources available for carrying out the work programme of the Organization include established posts, temporary posts, temporary assistance, consultants and ad hoc expert groups; these resources are financed from the regular budget and from extrabudgetary funds.

67. As shown in table 5 of the introduction to the proposed programme budget for 1998-1999 (A/52/6 (Part one) (ii)), the Secretary-General estimates posts and other staff costs (excluding staff assessment) at $1,669,910,400 under the expenditure sections for 1998-1999. If the estimate of $29,427,700 (net of staff assessment) for posts and other staff costs is added for income section 3, the total is $1,699,338,100.

68. In table 9 of the introduction, the Secretary-General estimates posts and other staff costs of extrabudgetary staff at approximately $1,427,288,300 (updated figure), including staff financed from the support account for peacekeeping operations. It can thus be said that personnel costs to be financed from the regular budget and extrabudgetary resources would amount to an estimated $3,126,626,400 in 1998-1999.

Regular budget established and temporary posts

69. Under the expenditure sections and income section 3 of the proposed programme budget for the biennium 1998-1999, the Secretary-General requests a total of 8,973 posts. In the following table, which includes income section 3, Services to the public, the request for 1998-1999 is compared with the approved staffing table for 1996-1997 (see also table 6 of the introduction to the proposed programme budget):

	Professional category and above			General Service and related categories			Total		
	1998-1999	1996-1997	Increase (decrease)	1998-1999	1996-1997	Increase (decrease)	1998-1999	1996-1997	Increase (decrease)
Established posts	3 632	3 950	(318)	5 254	6 113	(859)	8 886	10 063	(1 177)
Temporary posts	39	39	-	48	48	-	87	87	-
Total	3 671	3 989	(318)	5 302	6 161	(859)	8 973	10 150	(1 177)

70. As can be seen from table 7 of the introduction to the proposed programme budget for 1998-1999 (A/52/6 (Part one) (ii)), the net decrease of 1,173 regular established and temporary posts is the result of proposals for:

New posts	10
Conversion from general temporary assistance	29
Abolitions	1 212
	(1 173)

71. In this connection, the Advisory Committee points out that the total of 1,212 abolitions includes 356 posts previously budgeted for under activities that are now receiving "net budget" treatment. Of these, 39 will actually be abolished, the remaining 317 will be transferred out. In other words, they will

still be occupied but will no longer be shown in United Nations staffing tables, although they will continue to be funded from the United Nations regular budget to the same extent as before. The real number of abolitions is therefore not 1,212 but 895, of which 39 were funded only in part by the United Nations. The Committee points out that there is a potential for confusion in this situation; the requested policy paper on the "net budgeting concept" should also develop a clear format for presentation of the related posts (see also para. 45 above).

72. In its review of the proposals for individual budget sections in chapter II, the Advisory Committee has pointed, in numerous instances, to the lack of explanation or analysis of proposed decreases, especially for posts. As shown above, the Secretary-General is proposing the abolition of 895 posts (excluding posts transferred out as the result of "net budgeting"). The organizational necessity for each of these abolitions should have been clearly stated, as well as their impact on the delivery of programmes or services. Included in this analysis should have been an indication of how needs and programmes have changed since these posts were originally requested and approved to carry out certain functions. As pointed out by the Committee in its second report on the programme budget for the biennium 1996-1997,[10] the Secretary-General needs to justify proposed reductions in the same manner as he would justify increases.

73. The Advisory Committee, in chapter II, has noted a number of instances where posts are proposed for abolition, although they are encumbered and it is envisaged that the functions of the abolished posts will continue to be carried out through the end of 1998; the staff involved will continue to be charged to the budget. The Committee expresses its concern at this anomaly; the staffing tables should be adjusted to reflect the continuation of these posts through the end of the first year of the coming biennium.

74. The Advisory Committee requested information on regular budget redeployment of posts. As mentioned in the summary of sections and table 7 of the introduction, the total of 25 redeployments from one department to another are as follows:

Redeployments in the proposed programme budget for the biennium 1998-1999

Number of posts	Level	Section		Department/office	
		From	To	From	To
1	D-2	7	1	Department for Policy Coordination and Sustainable Development	Executive Office of the Secretary-General
1	P-4	14	1	Crime Prevention and Criminal Justice Division	Executive Office of the Secretary-General
1	P-3	14	1	Crime Prevention and Criminal Justice Division	Executive Office of the Secretary-General
1	P-4	27E	6	Office of Conference and Support Services/ Conference Services	Office of Legal Affairs
2	P-3	27E	6	Office of Conference and Support Services/ Conference Services	Office of Legal Affairs
1	P-2/1	27E	6	Office of Conference and Support Services/ Conference Services	Office of Legal Affairs
1	GS	27E	6	Office of Conference and Support Services/ Conference Services	Office of Legal Affairs
1	ASG	1	7	Executive Office of the Secretary-General	Department for Policy Coordination and Sustainable Development
1	P-4	26	8	Department of Public Information	Department for Policy Coordination and Sustainable Development/Office of the Special Coordinator for Africa and the Least Developed Countries
1	D-1	1	14	Office of the Director-General/United Nations Office at Vienna	Crime Prevention and Criminal Justice Division
1	P-5	1	14	Office of the Director-General/United Nations Office at Vienna	Crime Prevention and Criminal Justice Division
1	P-5	11A	16	UNCTAD	ECA
1	P-4	11A	16	UNCTAD	ECA
1	LL	11A	16	UNCTAD	ECA
1	P-5	11A	17	UNCTAD	ESCAP
1	P-3	11A	17	UNCTAD	ESCAP
1	LL	11A	17	UNCTAD	ESCAP
1	P-5	11A	19	UNCTAD	ECLAC
1	P-4	11A	19	UNCTAD	ECLAC
1	LL	11A	19	UNCTAD	ECLAC
1	P-5	11A	20	UNCTAD	ESCWA
1	LL	11A	20	UNCTAD	ESCWA
1	P-4	1	27C	Executive Office of the Secretary-General	Office of Human Resources Management
1	GS	27A	28	Office of the Under-Secretary-General for Administration and Management	Office of Internal Oversight Services

75. The following table, supplied to the Advisory Committee, shows proposed reclassifications in the Professional category and above (including income section 3) as follows:

Reclassification for the biennium 1996-1997 and proposed
for the biennium 1998-1999 under the regular budget

Budget section and organizational unit	Professional category and above									General Service and related categories							
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Sub-total	Principal level	Other level	Security Services	Field Service	Trades and Crafts	Local level	Sub-total	Total
1. Overall policy-making, direction and coordination																	
	-	-	2	-	(2)	1	(1)	-	-	-	-	-	-	-	-	-	-
Executive Office of the Secretary-General						2 D-1 to D-2											
Secretariat of the Board of Auditors						1 P-5 to D-1											
Office of the Director-General, Geneva						1 P-5 to D-1 1 P-3 to P-4											
2. Political Affairs																	
	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	1	-	-
3. Peacekeeping operations and special missions																	
	-	-	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-
United Nations Truce Supervision Organization						1 P-2 to P-3											
6. Legal affairs																	
	-	-	1	(1)	-	-	-	-	-	5	(5)	-	-	-	-	-	-
Office of the Legal Counsel and Treaty Section						1 D-1 to D-2 5 GS (OL) to GS (PL)											
9. Economic and social information and policy analysis																	
	-	-	-	-	(1)	1	3	(3)	-	-	-	-	-	-	-	-	-
11. Trade and development																	
	-	1	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office of the Secretary-General, UNCTAD						1 D-2 to ASG											
18. Economic development in Europe																	
	-	-	-	-	1	(1)	2	(2)	-	-	-	-	-	-	-	-	-
Transport						1 P-4 to P-5											
Environment						1 P-3 to P-4 1 P-2 to P-3											
Trade facilitation						1 P-4 to P-3											
Development of international trade						1 P-5 to P-4											
Agriculture and timber						1 P-4 to P-5											
19. Economic and social development in Latin America and the Caribbean																	
	-	-	-	-	-	-	2	(2)	-	-	-	-	-	-	-	-	-
20. Economic and social development in Western Asia																	
	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-	-

Budget section and organizational unit	Professional category and above									General Service and related categories							
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Sub-total	Principal level	Other level	Security Services	Field Service	Trades and Crafts	Local level	Sub-total	Total
Development issues						1 P-4 to P-5											
27. Administrative services																	
	-	-	1	-	-	1	-	1	3	(1)	-	-	(2)	-	-	(3)	-
A. Office of the Under-Secretary-General for Administration and Management																	
	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-	-	-
Treasury						1 P-5 to D-1											
C. Office of Human Resources Management																	
	-	-	-	-	1	1	(2)	1	1	-	(1)	-	-	-	-	(1)	-
Medical Service						1 P-4 to P-5 1 GS (OL) to GS (PL)											
Operational services						1 P-3 to P-4											
Staff training						1 P-3 to P-4											
Planning and information						1 GS (PL) to P-2											
D. Support services																	
	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase and transportation						1 D-1 to D-2											
E. Conference services																	
Office of the Director and Deputy to the Assistant Secretary-General						1 P-4 to P-5											
Documents Control						1 P-5 to P-4											
G. Administration, Vienna																	
	-	-	-	-	-	-	-	-	-	(1)	1	-	-	-	-	-	-
Finance and budget support						2 GS (PL) to GS (OL) 1 GS (OL) to GS (PL)											
H. Administration, Nairobi																	
	-	-	-	-	-	-	2	-	2	-	-	-	(2)	-	-	(2)	-
Electronic services																	
28. Internal oversight																	
	-	-	-	-	-	-	-	-	-	(1)	1	-	-	-	-	-	-
Office of Internal Oversight Services						1 GS (PL) to GS (OL)											
Total, regular budget	-	1	3	(1)	(1)	1	7	(7)	3	3	(5)	-	(2)	-	1	(3)	-
Income section 3																	
Sale of publications						1	(1)										

76. The percentage distribution of established posts by grade in the Professional category and above proposed by the Secretary-General for 1998-1999 is compared with the revised 1996-1997 appropriation as follows:

Professional category and above	1998-1999	1996-1997
USG/ASG	1.1	1.0
D-2	2.2	2.1
D-1	6.8	6.8
P-5	18.4	18.1
P-4	30.5	29.9
P-3	28.8	29.0
P-2/1	12.2	13.1
	100.0	100.0

77. The Advisory Committee notes a trend towards a decrease in the number of junior posts (P-3 and below). This is especially troubling in view of the reference following table 17 of the report concerning managerial reform contained in the letter from the Secretary-General to the President of the General Assembly (A/51/873) to the high average age in the Secretariat, the high retirement rate expected over the next 10 years and the need to revitalize the international civil service.

78. The specific comments of the Advisory Committee on proposals for reclassification are contained in chapter II.

Extrabudgetary posts

79. The numbers and grades of posts anticipated during 1998-1999 for extrabudgetary support services are provided in table 10 of the introduction to the proposed programme budget. As can be seen from the table below, which was subsequently provided to the Advisory Committee, it is estimated that extrabudgetary resources in 1998-1999 will finance a total of 7,622 extrabudgetary posts as compared with 8,203 for 1996-1997. The total for the proposed programme budget for the biennium 1996-1997 was 7,793.[13] The Committee was informed that this total included posts for support services and substantive activities (including posts financed from operational funds posted at established United Nations offices and posts financed from the support account for peacekeeping operations). The following table provides a breakdown of those posts by grade and compares the estimated total for 1998-1999 with the total number of those posts in 1996-1997.

Extrabudgetary posts

Grade	1998-1999					
	Support services	Substantive activities	Operational activities	Total	1996-1997	Change
Professional category and above						
USG	-	-	-	-	1	(1)
ASG	2	-	1	3	3	-
D-2	9	12	24	45	49	(4)
D-1	28	26	62	116	127	(11)
P-5	74	86	220	380	426	(46)
P-4/3	418	186	986	1 590	1 639	(49)
P-2/1	40	87	167	294	427	(133)
Subtotal	571	397	1 460	2 428	2 672	(244)
General Service						
Principal level	60	25	21	106	105	1
Other levels[a]	1 377	419	3 292	5 088	5 426	(338)
Subtotal	1 437	444	3 313	5 194	5 531	(337)
Total	2 008	841	4 773	7 622	8 203	(581)

[a] Including Security Services, Trades and Crafts, Field Service and Local level.

80. In accordance with the terms of section II, paragraph 2, of General Assembly resolution 35/217 of 17 December 1980, the Advisory Committee, since submitting its first report on the proposed programme budget for the biennium 1996-1997, has concurred with the following requests by the Secretary-General concerning the continuation of extrabudgetary posts at the D-1 level and above:

(a) One D-2 and one D-1 post for the United Nations Office for Coordination of Humanitarian Assistance to Afghanistan for 1996;

(b) One D-2 and one D-1 post for the United Nations Inter-Agency Humanitarian Programme in Iraq from 1 January 1996 onwards.

Temporary assistance and consultants

81. As can be seen from table 5 of the introduction to the proposed programme budget, the expenditure sections of the proposed programme budget include a total of $161.3 million under other staff costs in 1998-1999. The Advisory Committee was informed that this total included $35 million for general temporary assistance. As a rule, the greatest use of general temporary assistance is for additional staff during periods of peak workload; general temporary assistance is also used for the replacement of staff on prolonged sick leave or maternity leave.

82. The Advisory Committee was informed that the overall estimate for temporary assistance for meetings for 1998-1999 was $44.6 million. The estimate included in the proposed programme budget for the biennium 1996-1997 was $62.9 million.[14]

These funds are requested for short-term interpreters, translators, typists and other conference-servicing staff.

83. As can be seen from table 5 of the introduction to the proposed programme budget, the total request for consultants and expert groups is $15.9 million for 1998-1999. The related figure for 1996-1997 was $15.7 million.[15] The Advisory Committee was informed that, of that total, $9.8 million related to consultants. In this connection, the Committee notes that in a number of cases, as indicated in chapter II, a reduction in posts has been accompanied by an increased request under provisions for consultants and experts. The Committee was informed that this was to provide additional flexibility in the implementation of the programme of work. The Committee recalls its previous recommendations that recourse to consultants only be had where the necessary expertise was not available "in-house".

84. The Advisory Committee has requested information on the number of personnel with permanent contracts assigned to peacekeeping or other field missions, the number of Assistant Secretary-General and Under-Secretary-General posts in the United Nations and its programmes in 1987 as compared with 1997 and the percentage of permanent and fixed term contracts in 1987 as compared with 1997. That information was not received at the time the present report was finalized. When received, it will be taken into account by the Committee and reported to the General Assembly in an appropriate manner.

OTHER MATTERS

Extent of involvement of specialized bodies in the planning and programming process

85. In section II, paragraph 3, of its resolution 41/213, the General Assembly resolved to achieve improvement in the consultative process for the formulation of the medium-term plan through, inter alia, full implementation of the Regulations Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation pertaining to the medium-term plan, as contained in the annex to its resolution 37/234 of 21 December 1982, and of the related Rules.

86. As stated by the Advisory Committee in paragraph 81 of its first report on the proposed programme budget for the biennium 1988-1989,[2] such implementation calls for greater involvement of the specialized bodies in the planning and programming process; the work of such bodies in this area affects the programme of activities that forms the basis of the medium-term plan and in turn the programme budget. In this connection, the Committee was provided with the following list of specialized bodies and the period during which they reviewed their programmes of work for 1998-1999:

Budget sections for which the programme of work for 1998-1999 has been reviewed by specialized bodies

Section	Programme/ subprogramme	Reviewing body	Time of review
2	Political affairs		
	Question of Palestine	Committee on the Exercise of the Inalienable Rights of the Palestinian People	November 1996
	Decolonization	Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples	March 1997
5	International Court of Justice	Budgetary and Administrative Committee of the Court	February 1997
7	Advancement of women	Commission on the Status of Women	March 1997
7	Social development	Commission on Social Development	February-March 1997
9	Population	Commission on Population and Development	February 1997
9	Statistics	Statistical Commission	February 1997
10	Development support and management services	Experts on the United Nations Programme in Public Administration and Finance	May-June 1997
11	Trade and development	Working Party and Trade and Development Board	June 1997
12	Environment	Governing Council of UNEP	January-February 1997
13	Human settlements	Commission on Human Settlements	April-May 1997
14	Crime control	Commission on Crime Prevention and Criminal Justice	April 1997
16	Economic and social development in Africa	ECA Conference of Ministers	April-May 1997
17	Economic and social development in Asia and the Pacific	ESCAP	April 1997
18	Economic development in Europe	Working Group of ECE	December 1996
19	Economic and social development in Latin America and the Caribbean	ECLAC	April 1996
20	Economic and social development in Western Asia	ESCWA	May 1997

87. During its review of the various sections of the proposed programme budget the Advisory Committee noted a general trend that showed that many intergovernmental bodies were now increasingly involved in the review of the role of their subsidiary machinery, the related programme of work and secretariat structures under their supervision. However, the depth, scope and time spent on those reviews varies widely. As can be seen in the addendum to the report of the Secretary-General concerning the regional commissions[16] and in chapter II, some of the results of these reviews are quite extensive. To overcome the problem of synchronizing the calendar of conferences and the planning and programming cycles, a number of intergovernmental bodies have established inter-sessional ad hoc bodies to conduct the above reviews on behalf of parent bodies. The Committee commends this development, but trusts that in future such intergovernmental reviews will become much more extensive, involving all relevant specialized bodies.

88. In the past, the Advisory Committee has requested that the results and decisions taken in connection with such reviews should be made available to it when it examines the Secretary-General's proposed programme budget. The Committee regrets that this request has not been implemented fully. In a number of cases it was not possible for the Committee to know what the results of the reviews were. Indeed, there is little information in the proposed programme budget on the nature of the intergovernmental reviews and how they affected the budget proposals. In its second report on the programme budget for the biennium 1996-1997,[17] the Committee included information on reviews by intergovernmental bodies as annex III. In paragraph 20 of that report, the Committee stated that this type of information should have been integrated into the Secretary-General's progress report on the proposed programme budget for the biennium 1996-1997 (A/C.5/50/57/Add.1). The absence of this information from the proposed programme budget for the biennium 1998-1999 leads the Committee to reiterate what it stated in paragraph 21 of its second report on the programme budget for 1996-1997:

> "In many areas, however, it was not clear from the Secretary-General's report the extent to which the intergovernmental bodies have examined the programme of work and made specific decisions on such issues as termination, postponement or modification of approved programmes. Thus, in many cases it was not clear in the report of the Secretary-General whether programmatic proposals derive from the initiative of the Secretary-General or whether they are the results of intergovernmental review."[17]

Extrabudgetary funds

89. As can be seen from the table below, it is forecast that extrabudgetary funding will exceed $4 billion in 1998-1999.

Extrabudgetary resources 1998-1999

	Percentage of total	Thousands of United States dollars
A. Programmes with separate governing bodies		
UNHCR		2 287 891.8
UNRWA		843 900.0
United Nations International Drug Control Programme		162 298.0
UNEP		235 908.9
Human settlements		80 950.9
Subtotal	83.0	3 610 949.6
B. Technical cooperation funds		
UNDP		107 566.9
UNFPA		22 211.2
Other sources		259 267.2
Subtotal	9.0	389 045.3
C. Reimbursement for support/services provided		
Support account for peacekeeping operations		72 077.8
Technical cooperation		3 639.4
United Nations organizations		54 550.2
Trust funds		53 734.9
Subtotal	4.2	184 002.3
D. Substantive trust funds	3.8	166 132.3
Total	100.0	4 350 129.5

90. The table above shows that the bulk of extrabudgetary resources are from UNHCR, UNRWA, the United Nations International Drug Control Programme, UNEP and the United Nations Centre for Human Settlements (Habitat). The Advisory Committee reports separately on the related administrative budgets to the governing bodies of the various programmes (see preface to the present report). The Committee also reports to the governing bodies of UNDP, UNFPA and other United Nations programmes that provide technical cooperation funds (see the preface above).

91. For the most part, the Advisory Committee examines other extrabudgetary resources maintained in special accounts in the context of its review of the Secretary-General's proposed programme budget. The Committee also receives information biannually on the status of trust funds. As indicated in paragraph 80 above, under the terms of section II, paragraph 2, of General Assembly resolution 35/217, the Committee considers proposals for all new posts at levels D-1 and above funded through extrabudgetary sources that are not otherwise subject to scrutiny by an intergovernmental body; similarly, the

Committee is of the view that all such extrabudgetary posts should be managed with the same degree of care as is exercised with regular budget posts. The Committee follows up on this when it reviews trust funds.

92. Observations on extrabudgetary funds have been a regular feature of the Advisory Committee's reports in recent years. In its first reports on the proposed programme budgets for the biennium 1988-1989[2] and the biennium 1990-1991,[18] the Committee made a number of observations regarding the extrabudgetary side of United Nations expenditure, including the need to define precisely the role of extrabudgetary financing in the overall structure of the United Nations. The Committee also drew attention to the need to refine the approval and reporting mechanisms so as to ensure that extrabudgetary expenditures are subject to a greater measure of scrutiny and control.

93. In its tenth report on the programme budget for the biennium 1992-1993,[19] the Advisory Committee stated its belief that more precise proposals were needed from the Secretary-General in the area of scrutiny and control of extrabudgetary expenditure. Moreover, the Committee believed that the question of the impact of extrabudgetary resources on programme priorities remained unclear.

94. The Advisory Committee also devoted considerable attention to extrabudgetary funds in its first report on the proposed programme budget for the biennium 1996-1997,[8] where it addressed the presentation of information on trust funds in the budget document, the primacy of United Nations regulations and rules with regard to any conditions attached to special purpose contributions and the need for a standard format and procedures for reporting on trust funds to donors with a view to reducing the administrative burden and excessive overheads.

95. In its first report on the proposed programme budget for the biennium 1996-1997,[8] the Advisory Committee also addressed the need to ensure adequate reimbursement to the regular budget of identifiable expenses related to extrabudgetary activities. In a related matter, the Committee understands that a joint review by UNDP, UNFPA and UNICEF as to the reimbursement to the United Nations for services received is about to be completed for the period 1997 and future years. The Committee was informed that the goal was to establish a more stable regime that would not change during each biennium. In this connection, the Committee points out that in the past it has reviewed rates of reimbursement for services rendered by the United Nations Secretariat. Accordingly, it recommends that the agreed rates, including the basis for the proposal, be submitted to it for scrutiny and that the submission take place before implementation.

96. Although some of the above comments and recommendations of the Advisory Committee have been made repeatedly over the years, much remains to be done in the area of extrabudgetary activities. The Committee is aware of the evident difficulties surrounding the preparation of the proposed programme budget for the biennium 1998-1999 and that, as a consequence, little could be done to refine and improve budget presentation. However, extrabudgetary funding is becoming more and more important as the size of the regular budget shrinks. In view of this development, it is essential that in future the programme budget narrative identify and explain the role of extrabudgetary funding in the activities being described.

97. In particular, an indication should be given of how extrabudgetary activities are planned and how their inclusion affects the overall programme of work. The relevant intergovernmental bodies will need to be assured that, to

the maximum extent possible, extrabudgetary funding is used in support of programme priorities that have been established through the appropriate legislative process. In this connection, the Advisory Committee points once again to the need for specialized bodies to play a greater role in the formulation and review of programmes (including publications); perhaps this can be accomplished through the greater use of inter-sessional working groups (see para. 87 above).

Increasing demands for independent audits and management reviews of the United Nations system

98. As indicated in paragraph 94 above, the Advisory Committee has, in the past, stated that where donors of voluntary contributions attach conditions that are contrary to United Nations policy, the Organization's regulations and rules should prevail. The Committee has also made reference to the burden that often arises as the result of reporting requirements by donors. The Committee has called for the development of a standard format and reporting procedure on trust funds; this has not occurred.

99. The foregoing is relevant to developments in the past few years where organizations of the United Nations system have come under increasing pressure from donors of extrabudgetary funds to allow independent auditors to carry out audits of the funds that they advance. There have also been requests from individual Member States to conduct audit and management reviews of the activities of United Nations organizations irrespective of whether such audits and reviews are related to the funds they provide.

100. These developments have caused considerable concern to the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency, which, through its Chairman, addressed a letter to the Secretary-General of the United Nations, in his capacity as Chairman of the Administrative Committee on Coordination. The letter was referred to in the report of the Secretary-General on independent audits and management reviews of activities of the United Nations system (A/48/587), which annexed the views of the Administrative Committee on Coordination on this matter. The annex makes reference to the identification by the Panel of numerous practical disadvantages to independent audits and management reviews by individual Member States and to the fact that the Financial Regulations of the United Nations stipulate that the external auditors appointed by the organizations' governing bodies are solely responsible for the conduct of audits.

101. With regard to the United Nations itself, in its resolution 48/216 A of 23 December 1993, the General Assembly recognized that the Board of Auditors conducted its reviews in a comprehensive manner, as stipulated in regulation 12.5 of the Financial Regulations of the United Nations, and expressed its appreciation to the Board for the action-oriented and concrete recommendations contained in its reports.

102. In the recent past, the Advisory Committee has become increasingly aware of renewed pressure for individual auditing and management review by Member States, a development that has again led to expressions of concern by United Nations auditors. The Committee cannot but stress that the members of the Panel of External Auditors have been selected by the competent legislative bodies to carry out the various activities within their terms of reference on behalf of all Member States. For example, as stated in regulation 12.6 of the Financial Regulations of the United Nations, "the Board of Auditors shall be completely

independent and solely responsible for the conduct of the audit". It should be noted that where necessary, the Committee may request the Board to conduct specific examinations and report on the results, as provided for in regulation 12.7.

103. The alternative to this system would be a situation in which numerous audits and management reviews would be conducted by a plethora of institutions and bodies, responsible not to the Organization as a whole, but to individual Member States. This situation would inevitably lead to many conflicting recommendations resulting in widespread confusion and misunderstanding of the nature of United Nations operations.

104. The Advisory Committee points out that the audit reports prepared by the Board of Auditors of the United Nations and by the external auditors of each of the specialized agencies are quite detailed and extremely informative on every aspect of the operations of the audited entity. As indicated in paragraph 102 above, procedures are in place to request special or expanded audits should any Member State so desire. Furthermore, the Committee points out that under the current procedure donors to extrabudgetary operations and trust funds can request information regarding project implementation for use by their respective legislatures.

105. Furthermore, the Advisory Committee points out that, bearing in mind the requirements of the Financial Regulations of the United Nations organizations and agencies, the secretariats of the organizations and agencies concerned have no authority to conclude arrangements for audit by national authorities without prior approval of the competent legislative bodies.

106. Accordingly, the Advisory Committee once again reiterates its view that the Financial Regulations of the United Nations and the resolutions of the General Assembly, adopted for the benefit of all, must be respected by all Member States, as well as by the Secretariat.

Implementation of the performance appraisal system

107. The report of the Secretary-General (A/C.5/51/55 and Corr.1) was submitted pursuant to General Assembly resolution 51/226 of 3 April 1997 and contains a review of the first full year of implementation as well as proposals for improving the performance appraisal system on the basis of lessons learned.

108. The Advisory Committee, in paragraph 95 of its first report on the proposed programme budget for biennium 1996-1997,[8] noting that efforts were under way to streamline the performance appraisal system, urged continued strenuous efforts to refine the performance appraisal system so as to minimize the administrative and bureaucratic burden it would likely cause in its original form. The Committee also stated that the introduction of the performance appraisal system involved significant direct and indirect expenditure.

109. The Advisory Committee notes from paragraph 13 of the report of the Secretary-General that a majority of departments and offices are now using the performance appraisal system and that where there has been a delay in implementation, those offices have been authorized to continue using the performance evaluation report until the performance appraisal system is implemented in the course of 1997. As indicated in paragraph 14 of the report, progress has also been made in the establishment of the three monitoring bodies that were agreed upon in the course of staff management consultations: the

departmental Management Review Committees, the Joint Monitoring Committees and the Global Joint Monitoring Committee.

110. The Advisory Committee requested information on the costs thus far of the performance appraisal system and was informed that from 1994 to date they totalled $1.3 million for development and training. Maintenance costs for the system from 1998 onwards will be met from within normal provisions for staff administration.

111. As pointed out by the Advisory Committee in its first report on the proposed programme budget for the biennium 1996-1997[8] (see paras. 94 and 95 above), there are and will continue to be indirect costs, related principally to the time required of both managers and staff to complete the various phases of the performance appraisal system. Considerable time will also be consumed during the management review phases, including, under certain circumstances, appeals of decisions related to the performance appraisal system.

112. The Advisory Committee met with representatives of the Secretary-General and was briefed on efforts to streamline the performance appraisal system and make it more responsive to the needs of the Organization. The Committee trusts that the refinements to be made will be effective.

Publications

113. As pointed out in chapter I of its first report on the proposed programme budget for the biennium 1996-1997,[8] a significant level of resources is devoted to publications as an activity of the United Nations (including staff, consultants and printing). The Advisory Committee has been commenting extensively on this matter since 1976. The Committee has called for much greater involvement of intergovernmental bodies and has urged that they be provided with the statistical data to carry out in-depth reviews of publications programmes.[20] The Committee has also called for a considerable streamlining of the current publications programme, including such practices as having the same reports and publications appear in different formats.[21] In paragraphs 81 and 82 of the report, the Committee addressed the need to develop a methodology that would permit a breakdown of the cost of publications by external/internal printing, research, writing and editing.

114. As can be seen in chapter II, not much progress has been made in addressing the points raised by the Advisory Committee over the years. Since the publications programme is such an important activity of the United Nations and in view of the current emphasis on efficiency and streamlining, the Committee requests the Secretary-General to respond specifically to its concerns. This response could be incorporated into the comments the Secretary-General will make on the report of the Joint Inspection Unit on United Nations publications (A/51/946). It will be recalled that that report was prepared in response to the recommendation of the Committee in paragraph 83 of its first report on the proposed programme budget for the biennium 1996-1997.[8] The Committee intends to take up this report, together with the comments of the Secretary-General, when they are available.

Liaison offices

115. During its consideration of the proposed programme budget for the biennium 1998-1999, the Advisory Committee took particular note of proposals related to liaison offices. These offices, which are maintained for a number of United Nations activities and programmes, are funded from both the regular budget and

extrabudgetary sources. The combined staffing of offices for human rights, United Nations International Drug Control Programme/United Nations Office at Vienna, UNHCR, UNRWA, UNCTAD, the United Nations Centre for Human Settlements (Habitat), UNEP and the regional commissions totals 45: 19 Professional category and above (two D-2, two D-1, six P-5, five P-4, four P-3) and 26 General Service. The cost of this staffing complement is estimated at nearly $8 million net of staff assessment. The Committee was informed that identifiable non-post resources totalled just under $1 million.

116. The level of resources devoted to liaison offices is thus considerable, yet, as can be seen in chapter II, for some offices it is not quite clear what is actually being accomplished; others seem understaffed to carry out the stated objectives. It is also not clear what impact, if any, the recent advances in communication and computer technology have had on these offices. The Advisory Committee believes the time has come for a thorough review of liaison offices to determine what tasks still need to be carried out by them in view of the ability to communicate instantly around the world. Those activities which still need to be carried out should be adequately funded and opportunities to combine and consolidate the activities and functions of various liaison offices should be explored. The results of this review should be specifically referred to and reflected in the proposed programme budget for the biennium 2000-2001.

Cooperation with other United Nations bodies

117. The Advisory Committee has submitted reports to the following United Nations bodies:

(a) The Advisory Commission of UNRWA on the proposed 1996-1997 budget of UNRWA;

(b) The Executive Committee of the Programme of the United Nations High Commissioner for Refugees on UNHCR activities financed by voluntary funds for 1994-1995 and the proposed programme and budget for 1996;

(c) The Committee on Food Aid Policies and Programmes on the budget proposals of WFP for the biennium 1996-1997, the External Auditor's recommendations and the Financial Management Improvement Programme;

(d) The Commission on Narcotic Drugs on the revised programme budget and performance report of the United Nations International Drug Control Programme for the biennium 1994-1995 and the proposed programme budget for the biennium 1996-1997;

(e) The Council of the University on the proposed academic programme and budget of United Nations University for the biennium 1996-1997;

(f) The Executive Board of UNICEF regarding the integrated budget for headquarters and regional offices of UNICEF for the biennium 1996-1997;

(g) The Executive Board of UNDP/UNFPA regarding the follow-up to Executive Board decision 95/28, paragraph 14,[22] and the Office of United Nations System Support and Services;

(h) The Board of Trustees of UNITAR on the Institute's programme budget for 1996;

(i) The Executive Board of UNDP/UNFPA on the revised budget estimates for the biennium 1996-1997;

(j) The Executive Board of UNDP/UNFPA on the revised budget estimates of the United Nations Office for Project Services for the biennium 1996-1997;

(k) The Executive Committee of UNHCR on the overview of UNHCR activities for 1995-1997;

(l) The Committee on Food Aid Policies and Programmes on the audited biennial accounts of WFP for the biennium 1994-1995;

(m) The Executive Board of UNICEF on integrated budgeting in UNICEF and on the revised integrated budget for 1996-1997 for headquarters and regional offices, as well as the report on the harmonization of presentation of the biennial support budgets of UNDP, UNFPA and UNICEF;

(n) The Executive Board of UNDP/UNFPA on the harmonization of presentation of the biennial support budgets of UNDP, UNFPA and UNICEF;

(o) The Governing Council of UNEP on the revised estimates for the biennium 1996-1997 and proposed budget for the biennium 1998-1999;

(p) The Commission on Narcotic Drugs on the proposed revised programme budget of the United Nations International Drug Control Programme for the biennium 1996-1997 and the proposed outline for the biennium 1998-1999;

(q) The Board of Trustees of UNITAR regarding the Institute's programme budget for 1997;

(r) The Commission on Human Settlements on the proposed budget of the United Nations Habitat and Human Settlements Foundation for the biennium 1998-1999;

(s) The Committee on Food Aid Policies and Programmes on the strategic and financial plan of WFP for 1998-2001, the budgetary performance of WFP for 1996, the funding of WFP after-service medical liabilities, the proposed WFP financial regulations, the funding and replenishment of the operational reserve and the progress report on the implementation of the External Auditors' recommendations for 1992-1993 and 1994-1995;

(t) The Executive Board of UNDP/UNFPA on risk management, reserves and surplus income of the United Nations Office for Project Services and on the revised budget estimates for 1996-1997 and estimates for 1998-1999;

(u) The Executive Board of UNDP/UNFPA on UNFPA estimates for the biennial support budget for 1998-1999;

(v) The Executive Board of UNDP/UNFPA on the budget estimates of UNDP for 1998-1999.

Notes

[1] Official Records of the General Assembly, Fifty-first Session, Supplement No. 6 and corrigendum (A/51/6/Rev.1 and Rev.1/Corr.1).

[2] Ibid., Forty-second Session, Supplement No. 7 (A/42/7).

[3] Ibid., Fortieth Session, Supplement No. 7 (A/40/7).

[4] Ibid., Fifty-first Session, Supplement No. 7 (A/51/7/Add.1-9), document A/51/7/Add.4, para. 6.

[5] See, for example, Official Records of the General Assembly, Fiftieth Session, Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.16, para. 39; and ibid., Fifty-first Session, Supplement No. 7 (A/51/7/Add.1-9), document A/51/7/Add.1, paras. 16 and 17.

[6] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.16, para. 14.

[7] Official Records of the Second Session of the General Assembly, Supplement No. 7 (A/336), para. 8.

[8] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

[9] Ibid., Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.16, para. 15.

[10] Ibid., Fifty-first Session, Supplement No. 7 (A/51/7/Add.1-9), document A/51/7/Add.1, para. 8.

[11] Ibid., Fiftieth Session, Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.16, para. 39.

[12] Ibid., Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. 7.

[13] Ibid., para. 65.

[14] Ibid., para. 69.

[15] Ibid., para. 70.

[16] E/1997/40/Add.1.

[17] Official Records of the General Assembly, Fifty-first Session, Supplement No. 7 (A/51/7/Add.1-9), document A/51/7/Add.1.

[18] Ibid., Forty-fourth Session, Supplement No. 7 and corrigenda (A/44/7 and Corr.1 and 2).

[19] Ibid., Forty-sixth Session, Supplement No. 7A (A/46/7/Add.1-16), document A/46/7/Add.9.

[20] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. 76.

[21] Ibid., para. 77.

[22] Official Records of the Economic and Social Council, 1995, Supplement No. 14 (E/1995/34), annex I.

Chapter II

DETAILED RECOMMENDATIONS ON THE PROPOSED PROGRAMME BUDGET

A. ESTIMATES OF EXPENDITURE

PART I. OVERALL POLICY-MAKING, DIRECTION AND COORDINATION

Section 1. Overall policy-making, direction and coordination

I.1. Part I of the proposed programme budget for the biennium 1998-1999 covers section I, Overall policy-making, direction and coordination. The estimate of $38,622,800 for 1998-1999 represents the regular budget requirements for the biennium 1998-1999.

I.2. With regard to extrabudgetary resources, the Advisory Committee notes that of the total $10.1 million (table 1.1) a total amount of $6,689,000 has been shown for peacekeeping operations and operational projects. The Advisory Committee understands that this relates to requirements for external audit. The Committee believes that it is not sufficient to reflect the amounts without an indication of the sources and uses of the funds. The Committee requests that a clearer narrative indication of extrabudgetary resources be included in the budget submission in the future. Terms such as "operational projects", "other" and "contractual services" should be properly explained.

I.3. On enquiry, the Advisory Committee was informed that of the total $6,689,000, approximately $1.9 million relates to audit of peacekeeping operations, $3.6 million to audit of funds and programmes, $225,520 to audit of trust funds and $145,020 to audit costs for the International Tribunals for the Former Yugoslavia and Rwanda.

I.4. As indicated in table 1.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 117, representing a decrease of five regular budget posts as compared with the total of 122 posts for the biennium 1996-1997. The total number of extrabudgetary posts proposed for the biennium 1998-1999 is 8, the same number as for the biennium 1996-1997. Of the five regular budget posts proposed to be abolished, the Advisory Committee was informed that three posts were vacant as of the end of August 1997.

I.5. The Advisory Committee notes the footnote to table 1.1 regarding the transfer of resources in the amount of $3,459,000 related to the servicing of the General Assembly. The Committee trusts that care will be taken to ensure that the resources transferred are utilized wholly for the needs of the Assembly and that their use will be monitored.

I.6. The Advisory Committee recalls that in paragraph I.3 of its first report on the proposed programme budget for the biennium 1996-1997[1] the Committee had requested (but was not provided with) information on resources made available to the Office of the President of the General Assembly. The Committee had also expressed its view that there was a need to ensure that the Office of the President of the General Assembly was provided with adequate resources. The Committee believes that need has become more pronounced owing to the extended meeting schedule of the Assembly throughout the year. The Committee will revert to this matter in the context of its examination of the report of the Secretary-

eral contained in document A/52/303, in which additional resources are being
uested for the Office of the President.

. With regard to the secretariat of the Advisory Committee on Administrative
Budgetary Questions, the Secretary-General proposes to continue the current
ber of regular budget and extrabudgetary posts. In paragraph 31 of its
ort on the support account for peacekeeping operations (A/51/906 and Corr.1),
Advisory Committee recalled section I of General Assembly resolution
185 C of 20 December 1991, in which the Assembly invited the Secretary-
eral to keep under review the method of financing of posts in the secretariat
the Advisory Committee that were not part of the regular budget. The
mittee recalled that it is a subsidiary body of the General Assembly and the
ctions it performs to implement its mandate fully are entirely on behalf of
Assembly; they are thus core functions of the Organization. The Committee
o stated its belief that the funding of its extrabudgetary posts should be
iewed in the context of the consideration of the proposed programme budget
the biennium 1998-1999. Under the circumstances, the Committee recommends
t the funding of its secretariat be rationalized through the financing of all
the posts under the regular budget.

. As indicated in table 1.11 of the proposed programme budget, total
ources being requested for the Board of Auditors, including its secretariat,
unt to $10,428,800, comprising $4,097,100 regular budget resources and
331,700 extrabudgetary resources. On enquiry, the Advisory Committee was
ormed that the level of resources required by the Board is determined by the
rd itself and that the three members of the Board share the resources on an
al basis as well as on the extent of their responsibilities. With regard to
scope of the audits, the Committee draws attention to financial
ulation 12.6 of the Financial Regulations and Rules of the United Nations,
ch states that the Board of Auditors shall be completely independent and
ely responsible for the conduct of the audit. The Committee also draws
ention to regulation 12.8, which states that the Secretary-General shall
vide the Board of Auditors with the facilities it may require in the
formance of the audit.

. With regard to the Board of Auditors, the Advisory Committee was informed
t for the period from 1 January 1996 to 31 May 1997, 215 auditors were
olved in auditing various United Nations entities; 147 audits were undertaken
a duration of two to eight weeks and the volume of operations audited
alled $14,400 million, comprising $9,200 million for funds and programmes,
600 million for peacekeeping missions and $2,600 million for the regular
get.

0. The Advisory Committee notes the post requirements of the secretariat of
Board as reflected in table 1.12 and paragraph 1.22 of the proposed
gramme budget. The provision relates to salaries and common staff costs of
secretariat of the Board, consisting of one D-1 and four General Service
her level) posts. As reflected in table 1.12, the positive growth of $5,800
lects the combined effect of the application of new standardized vacancy
es and the reclassification of a P-5 post to the D-1 level. The Committee
alls that in its first report on the proposed programme budget for the
nnium 1994-1995,[2] it noted the Secretary-General's proposal to downgrade the
t of Executive Secretary of the Board from the D-1 to the P-5 level. The
mittee had also noted that the Board had not been consulted about the
posal and that the post had been vacant at that time since August 1993. The
mittee recommends acceptance of the proposal to restore the post of the
cutive Secretary of the Board to the D-1 level. In this connection, the

Committee draws attention to General Assembly resolution 50/214 of 23 December 1995, in which the Assembly, inter alia, requested the Secretary-General to keep under review the level of the post of the Executive Secretary of the Board of Auditors, taking into account the increased workload of the Board.

I.11. The Advisory Committee notes that the resources proposed for external audit under section I of the proposed programme budget amount to $10,428,800. In addition, as indicated in section 28 of the proposed programme budget, the resources proposed for internal audit are estimated at $16,469,600 for the biennium 1998-1999. The Committee was, however, not able to ascertain the total amount allocated for audit purposes in the individual peacekeeping operations.

I.12. With regard to the United Nations Joint Staff Pension Board, as indicated in paragraph 1.29 of the proposed programme budget for the biennium 1998-1999, implications for the regular budget of action to be taken by the Standing Committee of the Pension Fund and the decision by the General Assembly in connection with the recommendations of the Fund will be the subject of a statement of programme budget implications.

I.13. As indicated in table 1.19 of the proposed programme budget, requirements for the Executive Office of the Secretary-General amount to $14,701,700 before recosting. Table 1.20 reflects the number of posts; for the biennium 1998-1999, the total number of regular budget posts is shown as 75 as compared with 77 for the previous biennium.

I.14. As indicated in paragraph 1.42, included in these estimates are resources related to the establishment of the Office of External Relations, consisting of an Assistant Secretary-General, supported by seven staff (one D-1, one P-5, one P-4 and four General Service); the staffing of the new Office has been accommodated through redeployments from the Executive Office of the Secretary-General.

I.15. The Advisory Committee enquired about the functions of the various offices and units in the Executive Office of the Secretary-General, in particular the Office of External Relations and the unit for Peace-building Strategies for Africa. The Committee was informed that although the functions of those offices were not entirely new, they have assumed significant importance as elements in the work of the Executive Office of the Secretary-General. The Committee draws attention to section II, paragraph 8, of General Assembly resolution 48/228 A of 23 December 1993, in which the Assembly requested the Secretary-General to ensure that there was no duplication with the work of the other Secretariat units.

I.16. With regard to the other posts in the Executive Office of the Secretary-General, the Advisory Committee notes from paragraph 1.42 of the proposed programme budget that for the biennium 1998-1999 the following changes have been proposed: redeployment of an Assistant Secretary-General's post to the Department for Policy Coordination and Sustainable Development in order to support the consolidation of the functions of the Secretary-General's Adviser on Gender Issues and the Advancement of Women in that Department, in exchange for a post at the D-2 level; redeployment of one P-4 post to the Office of Human Resources Management; reclassification of the two Executive Assistants of the Secretary-General from the D-1 to the D-2 level; establishment of one P-3 post for a speech-writer to replace a P-4 post that was redeployed to the Office of External Relations, and abolition of two posts (one P-4 and one Security Service).

I.17. The Advisory Committee notes from table 1.19 of the proposed programme budget that there is an increase of 29.3 per cent over the previous biennium in the estimated requirements for consultants and experts. The resources requested for this purpose are $181,000 before recosting. The Committee believes that the request seems high given the explanation for the requirements in paragraph 1.44 of the proposed programme budget that expertise is needed to provide the Secretary-General with independent advice in such areas as preventive diplomacy, peacekeeping, reconstruction, rehabilitation and development, communication and administrative and financial reform. The Committee trusts that the expertise available within the Organization will be fully utilized before resorting to outside expertise. In this connection, the Committee also draws attention to its comments in paragraph I.9 of its first report on the proposed programme budget for the biennium 1996-1997.[1]

I.18. With regard to the Office of the Director-General, United Nations Office at Geneva, the Advisory Committee notes that the total resources requested amount to $4,923,900 before recosting. The Committee notes from paragraphs 1.51 to 1.53 of the proposed programme budget that an explanation for the utilization of the 20 posts requested has been included.

I.19. Resources requested for the Office of the Director-General, United Nations Office at Vienna, amount to $1,927,200 before recosting. The estimated requirements of $1,728,500 relating to posts reflect a negative growth of $345,100 for a reduced complement of 10 posts funded from the regular budget instead of 12 posts during the biennium 1996-1997. As indicated in paragraph 1.62 of the proposed programme budget, the D-1 and P-5 posts that currently provide for the functions of Special Assistant to the Director-General and the Protocol and NGO Liaison Officer, respectively, have been proposed for redeployment to section 14, Crime control. In exchange, two posts (one P-4 and one P-3) are proposed to be redeployed from section 14 to the Office of the Director-General. The Advisory Committee notes that the abolition of the posts of Secretary and Personal Assistant mentioned in paragraph 1.62 is in line with the Committee's recommendation to keep under review the ratio of General Service posts to those in the Professional category.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

PART II. POLITICAL AFFAIRS

Section 2. Political affairs

II.1. As shown in table 2.1 of the proposed programme budget, the Secretary-General's estimate for section 2 for the biennium 1998-1999 amounts to $57,541,000 before recosting, a decrease of $2,138,700 from the 1996-1997 appropriations.

II.2. Also as indicated in table 2.1, extrabudgetary resources for the biennium 1998-1999 are estimated at $5,044,900.

II.3. The Advisory Committee notes from the Secretary-General's proposals on reform as contained in document A/51/950, that it is intended to establish a Department for Disarmament and Arms Regulation as well as a Department of General Assembly Affairs and Conference Services. The Committee understands that the resources proposed for those activities that are currently reflected under section 2 of the proposed programme budget will be transferred out of this section of the budget. Details are provided in document A/52/303.

II.4. As indicated in table 2.3, the total number of established regular budget posts proposed for the biennium 1998-1999 is 260, representing a decrease of 7 as compared with 267 such posts for the biennium 1996-1997. The Advisory Committee notes that the total number of temporary posts funded from the regular budget is 4, compared with 14 during the biennium 1996-1997. The total number of extrabudgetary posts proposed for 1998-1999 remains the same as those for 1996-1997, namely, two. The Committee was informed that of the 17 regular posts (both established and temporary) proposed to be abolished, 13 were vacant as at July 1997.

II.5. As indicated in the footnote to table 2.3, two gratis personnel were contributed for the biennium 1996-1997, and it was anticipated that the same number would be contributed during 1998-1999. However, upon enquiry, the Advisory Committee was informed that they were two Junior Professional Officers and, as such, were gratis personnel, type I - one in the Assistant Secretary-General's office at Headquarters and the other in the Europe Division.

II.6. In the opinion of the Advisory Committee, the extrabudgetary staffing tables should indicate much more clearly the status (type) and full cost of gratis personnel. In this connection, the Committee points out that type I gratis personnel are also included in other sections of the budget for 1998-1999. The Committee recalls the information provided in the report of the Secretary-General on the support cost charges for gratis personnel (A/51/688/Add.1, paras. 15-17). In paragraph 10 of its resolution 51/243 of 15 September 1997 on gratis personnel provided by Governments and other entities, the General Assembly requested the Secretary-General to make proposals on the methodology and level of administrative support costs.

II.7. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[3] it recommended that, although there had been considerable streamlining, the Secretary-General review the grade structure of the Department of Political Affairs, which was top-heavy. In this connection, the Committee notes that the proposed number of D-2 posts has been reduced from 10 in 1996-1997 to 8 for 1998-1999.

II.8. The Advisory Committee enquired as to possible duplication in the work of the Department of Political Affairs and the Department of Peacekeeping Operations. The Committee was informed that it would be impossible to avoid completely some duplication and that the principle of comparative advantage was being applied. The Committee was further informed that regular coordination meetings at all levels took place between the two departments.

II.9. Notwithstanding the above comments, the Advisory Committee, during its meetings with representatives of the Secretary-General, discussed several areas of duplication between the two departments, including activities related to the United Nations Mission for the Referendum in Western Sahara and Cyprus. Moreover, the Committee has noted an overlap in the desk officer system that is in effect in both departments. In this connection, the Committee recalls its comments made in its previous report.[4]

II.10. The Advisory Committee intends to revert to this matter. Further observations are provided in the context of its consideration of the report of the Secretary-General contained in document A/52/303 (see below).

II.11. As indicated in paragraph 2.10 of the proposed programme budget, proposals under this section make adjustments for the need to strengthen coordination between the United Nations and the regional organizations with which it cooperates most closely in matters of peace and security and for the particularly pressing demands for the Organization to help prevent, control and resolve conflicts in Africa. In this connection, the Advisory Committee notes that, although it is not specifically detailed in the budget estimates, it is proposed to establish a liaison office in Addis Ababa with a staffing component of one post at the D-1 level and one Local level post, at an estimated cost of $352,400 before recosting.

II.12. The Advisory Committee notes from paragraph 2.129 that it is proposed that the three P-5 posts approved for the regional disarmament centres in Kathmandu, Lomé and Lima and two General Service posts at Headquarters be abolished, since the P-5 posts had not been filled since their approval, nor had voluntary contributions for the operations of the centres been made as expected. The Committee was informed that discussions were under way with UNDP for provision of some resources for consultancy purposes for the centre in Lomé and if the efforts were successful, then the question of abolishing the P-5 post for that centre would be reconsidered. In this connection, the Committee recalls its recommendation that the Secretary-General review the financial viability of those centres.[5] The Committee is of the opinion that the proposal of the Secretary-General to abolish the centres should be drawn to the attention of the First Committee and that before the General Assembly takes a decision on the matter, the Secretary-General should provide additional information on the status of voluntary contributions and, as concerns Lomé, the status of discussions with UNDP.

II.13. The Advisory Committee notes from paragraph 2.110 of the proposed programme budget that the abolition of one P-3 post has been proposed under subprogramme 7, Question of Palestine. The Committee has requested additional information relating to that proposal. It was informed that as at January 1996 one Professional post had been kept vacant as part of the effort to realize the savings required by the General Assembly during the biennium 1996-1997. The functions of the post (mainly organization of meetings of non-governmental organizations) were integrated with those of another post responsible for organizing regional seminars. At the same time, the Committee on the Exercise of the Inalienable Rights of the Palestinian People decided to combine some of its symposia and seminars for which the Division for Palestinian Rights was mandated to provide servicing. Nonetheless, the Committee points out that the Assembly, in its resolution 50/214 of 23 December 1995, requested that the staffing requirements of the Division be kept under review in the light of the developments in the Middle East. Under the circumstances, the Committee does not find a rationale for the abolition of the post.

II.14. As indicated in paragraph 2.14, provisions relating to the servicing of the General Assembly that were previously reflected under section 1, Overall policy-making, direction and coordination, are proposed for redeployment to the present section. The Advisory Committee notes from table 2.6 of the proposed programme budget that an amount of $412,900 before recosting (representing negative resource growth of 44.4 per cent) has been estimated to cover the direct costs of the fifty-third and fifty-fourth sessions of the Assembly. However, as indicated in paragraph 2.15, while most of the Assembly's meetings are held from September to December, meetings are now held with increasing frequency during the rest of the year, and that trend is expected to increase in coming years, thus generating new requirements for the Secretariat.

II.15. As indicated in paragraph 2.42, the estimated requirements of $4,055,900 would provide for the staffing structure of the Office of the Under-Secretary-General. The Advisory Committee notes that a growth in resources of $376,000 represents the combined effect of the application of the standard vacancy rates and the inward redeployment of a P-5 post. The Committee notes from paragraph 2.43, and also from an oral presentation to the Committee, that the additional P-5 post has been proposed for redeployment from subprogrammes 1 and 2 (General Assembly and Security Council) in order to assist with the Department's role as convener of the Executive Committee. Further comments on the redeployment of this post will be given in the context of its consideration of the Secretary-General's report contained in document A/52/303 (see below).

II.16. The Advisory Committee notes from paragraphs 2.16 and 2.19 that the resources required for contractual services in connection with external printing to meet the needs of the General Assembly and the Security Council show negative growth of 80.7 and 80.2 per cent respectively as a result of greater use of in-house capabilities such as text-processing software and desktop publishing. The Committee welcomes that development and encourages greater efforts to further reduce or even eliminate the need for external printing through the astute utilization of advances in technology.

II.17. As noted in table 2.9, estimated resources of $402,300 before recosting would cover the cost of travel of the 25 representatives of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Travel and other activities, as outlined in paragraphs 2.25 and 2.29, are determined by the Special Committee itself, and the resource growth of $177,100 indicated in paragraph 2.29 represents the partial restoration of provisions that had existed in the initial 1996-1997 appropriation but were surrendered owing to the reductions effected in 1996.

II.18. The Advisory Committee notes from paragraph 2.79 of the proposed programme budget that requirements for general temporary assistance ($86,500) relate to the elimination of the accumulated backlog in the preparation of the Repertoire of the Practice of the Security Council covering the years since 1989 and the Repertory of Practice of United Nations Organs since 1979, for which a minimum of approximately 12 work-months at the P-4 level has been requested. The Committee was informed that these publications suffer from serious delays

owing to a lack of adequate staff resources; for the Repertory in particular, the delays are compounded because of delays from the submitting departments, which also lack adequate staff resources. As indicated in paragraph 2.82, estimated requirements of $36,300 have been requested to cover specialized indexing services for the French edition of the eighth supplement of the Repertoire, which has been prepared, as well as for the ninth supplement when that has been translated. The Committee doubts whether the requested amounts of $86,500 and $36,300 would be adequate to deal with the accumulated backlog. The Committee recommends that the matter be reviewed to consider measures similar to those taken by the Office of Legal Affairs in dealing with the backlog in the publication of the Treaty Series.

II.19. The Advisory Committee upon enquiry was informed that there was a problem with some recurrent publications such as the Repertoire, the Disarmament Yearbook, official records of the Security Council and others. While the English versions may be completed on time, the time-frame for translation into other languages ranges from approximately 11 months for the French version to three years for the Arabic and Chinese versions. The Committee was informed that the level of resources requested would be sufficient only to maintain the status quo; there are no means to reduce the current backlog. The Committee trusts that the Secretariat will immediately introduce the measures necessary to ensure timely translation of documentation into all official languages; the Secretary-General should make proposals in this regard to the General Assembly before December 1997.

II.20. As indicated in paragraph 2.66, since 1992 the United Nations has received 125 requests for electoral assistance from Member States. In recent experience United Nations electoral assistance has been geared more to smaller missions that provide technical assistance to the electoral authorities of the Member State concerned with coordinating support provided by others or to providing a symbolic United Nations presence, compared with the large missions of prior years that organized, conducted or observed the elections. The Advisory Committee requested additional information on the number of such technical assistance requests received and the number of assessment missions dispatched in response to such requests. It was informed that in 1995, out of 22 requests for assistance received, 17 were responded to; in 1996, out of 27 requests received, 14 were replied to positively or were under consideration at the end of the year. Assistance was not provided in cases involving requests received with insufficient lead time (i.e., less than three months before an election) or where the political conditions in the country were not sufficiently conducive to the holding of genuine and periodic elections.

II.21. The Advisory Committee recommends that the narrative portion of the submission be updated in certain areas. For example, the Committee notes that in paragraphs 2.97 and 2.100, bodies that have completed their work have been included in the narrative. Furthermore, as indicated in paragraph 2.92, a P-4 post has been proposed for redeployment to serve as secretary of one of the working groups of the General Assembly. Upon enquiry, the Committee was informed that the working group referred to was the Open-ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and Other Matters Related to the Security Council. However, following the transfer of all technical servicing functions from the Department of Political Affairs to the new Department of General Assembly Affairs and Conference Services, the utilization and functions of this post would be subject to the decision of the head of the new Department.

II.22. In the report on the review of the efficiency of the administrative and financial functioning of the United Nations (A/51/873), it was indicated that owing to a reduction in the number of meetings identified as excessive there would be a savings of $188,000 for the Department of Political Affairs. Additional savings would be realized through the use of in-house drafting and editing and a reduction in the size of the Disarmament Yearbook and Disarmament Periodic Review. Similar information regarding the streamlining of publications was also contained in the Secretary-General's report on the programme budget for the biennium 1996-1997 (A/C.5/50/57/Add.1) and reflected in the second report of the Advisory Committee on the programme budget for the biennium 1996-1997.[6] The Committee regrets however, that such savings are not clearly identified in the proposed programme budget submission as they should relate to the requests for the biennium 1998-1999.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 3. Peacekeeping operations and special missions

II.23. As shown in table 3.2 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 3 for 1998-1999 amounts to $89,703,500 before recosting, a decrease of $45,801,800 against the 1996-1997 appropriations. The Advisory Committee understands that the reason for the decrease in resources is mainly due to the fact that resources for ad hoc missions have been reflected only up to 31 March 1998.

II.24. Also indicated in table 3.2, extrabudgetary resources for the biennium 1998-1999 are estimated at $54,193,200. Thus, the estimated resource requirements for the biennium total $153,672,100 as compared to $186,689,100 for 1996-1997.

II.25. In the opinion of the Advisory Committee, the Secretary-General should present proposals on the total requirements from all sources of funding so as to give the Department of Peacekeeping Operations the capacity to implement fully all mandated programmes and activities.

II.26. As indicated in table 3.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 355, representing a decrease of 37 as compared with 392 posts for 1996-1997. The Advisory Committee notes from the same table that the number of temporary posts funded from the regular budget is 4, a decrease of 33 posts as compared with 37 in 1996-1997. Also as shown in table 3.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 224, representing a decrease of 2 as compared with 226 posts for 1996-1997. Of the 37 regular posts proposed to be abolished, the Committee was informed that 6 were vacant as at 1 July 1997.

II.27. In addition, 134 gratis personnel are indicated in footnote a to table 3.3. The Advisory Committee recalls that in its report of 28 February 1997 (A/51/813), it had recommended that gratis personnel be phased out; the Secretary-general has also indicated that a plan would be developed to phase out the use of gratis personnel in the Secretariat at the earliest possible date (see A/51/950). In this connection, the Committee recalls General Assembly resolution 51/243 of 15 September 1997 on gratis personnel. It will therefore be necessary for the Secretary-General to assess the impact of this development on the support account and under the regular budget. However, there was no indication in the budget submission and the Secretariat was unable to provide information regarding the period over which the phasing out would take place and what resource implications it would entail for the Department's funding under either the regular budget or the support account.

II.28. The Advisory Committee notes from paragraph 3.17 (e) that the Situation Centre contains no regular budget posts. In this connection, the Committee draws attention to its recommendation that the time has come to evaluate the operation of the Situation Centre and its resource requirements, including its cost-effectiveness, and that the results of the evaluation be reflected in the next budget submission of the Secretary-General on the support account for peacekeeping operations (see A/51/906 and Corr.1, para. 18).

II.29. The Advisory Committee requested additional information regarding coordination between the Department of Peacekeeping Operations and the Department of Political Affairs, especially regarding operations in the same area.

II.30. The Advisory Committee notes from paragraph 3.19 of the proposed programme budget that an amount of $93,300 is proposed for consultancy services. As indicated in paragraph 3.19 (a), the Department had developed distinctive information and communication links with the peacekeeping and political missions in the field and would require consultancy services to examine and make recommendations, inter alia, on the most cost-effective ways of integrating current systems and ensuring evolution towards common longer-term standards in communications. While the Committee welcomes such an initiative, it recommends that coordination with other departments, especially with the Department of Management, the Department of Political Affairs and the Department of Humanitarian Affairs be ensured to maintain a unified United Nations communications network.

II.31. The Advisory Committee notes from paragraph 3.19 (b) that part of the request for consultancy services is proposed to be utilized for a consultant to undertake a study, over a period of four months, to draw lessons from disarmament, demobilization and reintegration of armed forces programmes carried out by past and ongoing peacekeeping missions. The Committee points out that there is a Lessons Learned Unit within the Department, staff by a D-1 and a General Service post. The Committee believes that there is a need for the administration to clarify the approach it intends to follow in performing lessons-learned activities. The Secretary-General had submitted related proposals in his report contained in document A/51/890 (annex I, para. 30). In this connection, the Committee draws attention to its comments in its report on the support account for peacekeeping operations (A/51/906 and Corr.1, para. 21). The Committee also recalls General Assembly resolution 51/239 A of 16 July 1997, in which the Secretary-General was requested to submit further proposals on the subject for its consideration. The Committee considered the proposals resubmitted by the Secretary-General in his report contained in document

A/51/965 and submitted its comments to the Assembly, which adopted resolution 51/239 B of 15 September 1997.

II.32. As indicated in paragraph 3.21 of the proposed programme budget, a provision of $52,700 has been requested to cover the cost of translation of documents such as peacekeeping studies, mission operating guidelines and claims from Member States into the official languages of the Organization.

II.33. As indicated in paragraph 3.22 of the proposed programme budget, resources amounting to $1,269,500 have been requested for general operating expenses. An amount of $260,100 would provide for rental of photocopying machines. Included in the estimates are provisions of $52,100 for paper and other reproduction supplies. In view of the availability of desktop publishing facilities, the Advisory Committee believes that the use of photocopiers and related supplies could be reduced. The requirement of a code to use photocopying machines could also be introduced.

II.34. The Advisory Committee notes from paragraph 3.22 (d) that $197,100 would cover the cost of maintaining office automation equipment; provisions requested under the regular budget relate to maintenance and software costs for 140 personal computers. In addition, the Department has an inventory of 426 personal computers, of which 26 are already obsolete. The Committee notes that the report of the Secretary-General on the support account for peacekeeping operations contained a request for resources for maintenance of 22 personal computers against the support account (A/51/890, annex I, para. 48).

II.35. With regard to the replacement of personal computers, as indicated in paragraph 3.25 (b) of the proposed programme budget, 55 personal computers are proposed to be replaced; furthermore, as indicated in the report of the Secretary-General, provision for replacement of 45 personal computers had been requested (A/51/890, annex I, para. 52).

II.36. As indicated in table 3.2 of the proposed programme budget, extrabudgetary resources amounting to $1,530,700 have been approved as general operating expenses against the support account with a provision for personal computers.

II.37. The Advisory Committee enquired but was not able to ascertain the number of personal computers, of the total of 426, purchased against regular budget funds and the number purchased against the support account. The Committee was also not able to reconcile the number of personal computers with the number of regular budget staff indicated in table 3.3.

II.38. In the report on the review of the efficiency of the administrative and financial functioning of the United Nations (A/51/873), it was indicated that because of the use of time chartering instead of voyage chartering of vessels, savings of over $21 million had been achieved for the Department; an estimated savings of $10 million to $20 million per year is envisaged in this connection. The Department also saved $1.7 million for 1996 through the improved selection and training of police monitors. The Advisory Committee requested further details on this point, including the manner in which the savings were reprogrammed. While the Committee was provided with detailed information on how the savings were achieved, including economies of scale through the time charter of vessels and a reduction in mission subsistence allowance and travel costs through improvements in the selection and training of police monitors, it was not provided with an explanation of how those savings were reprogrammed in the proposed programme budget for 1998-1999.

II.39. The same also indicates that by the end of 1997 savings would be achieved through the use of an established vehicle fleet database, global direct provisioning for vehicle spares and requests for purchase of centralized/ standardized vehicles. Over a five-year period, the use of standardized vehicles is estimated to save $50 million to $70 million; centralized disposals are estimated to save $30 million to $40 million; and global direct provisioning for spares is estimated to save $20 million. While the Advisory Committee was provided with details on how savings were to be achieved in this regard, it did not receive an explanation on how the resources would be reprogrammed in the proposed programme budget for 1998-1999.

II.40. The Advisory Committee notes that three trust funds are mentioned in table 3.4, whereas in paragraph 3.32 (c) it is stated that during the biennium 1998-1999, the activities to be undertaken would include the management of 24 trust funds and the development of a trust fund database to ensure availability of timely management information, including cost plans and allotment requests. The Committee was informed that those 24 trust funds were administered in the field. The Committee welcomes the action by the Department with regard to development of a database for this purpose. The Committee was also informed that there was a trust fund unit in the Accounts Division for similar purposes, as well as one in the Department of Humanitarian Affairs for managing its trust funds. The Committee recommends that there be Secretariat-wide coordination in this regard, and also draws attention to its comments under section 27, Administrative services, on simplification of financial statements, including trust funds and related schedules, which should be made more user-friendly.

II.41. The Advisory Committee recalls that in its previous report[7] it had welcomed the efforts of the Secretary-General to streamline the administrative structure and activities of the United Nations Truce Supervision Organization (UNTSO), which had resulted in a net reduction of $8,614,500. The Committee notes from paragraph 3.45 of the proposed programme budget that during the current biennium similar initiatives have been undertaken. As indicated in paragraph 3.46, the estimates include proposals for the abolition of 23 posts (8 in the Field Service category and 15 at the Local level). The Committee was informed that for various reasons, including the fact that UNTSO has been used as a "resource base" for supplying staff to other newer and more dynamic missions and the need to meet the mandated vacancy rate of 6.4 per cent, the mission has had a high vacancy rate. The resource growth of $696,000 for posts indicated in table 3.18 reflects the application of the new standard vacancy rates.

II.42. With regard to the United Nations Military Observer Group in India and Pakistan (UNMOGIP), the Advisory Committee notes from table 3.21 as well as paragraph 3.55 of the proposed programme budget that a reduction of seven posts (four in the Field Service category and three at the Local level) has been proposed. Upon enquiry, the Committee was informed that the mission had a high vacancy rate, over and above the 6.4 per cent requirement. With regard to the request for the establishment of a Political Affairs Officer post at the P-4 level for the biennium 1998-1999, the Committee was informed that following a further review of the administrative arrangements and the staffing situation in UNMOGIP, it had been concluded that the establishment of that post was no longer necessary and that the Secretary-General had withdrawn his proposal.

II.43. The Advisory Committee notes in table 3.27 that an amount of $7,908,100 has been requested for financing of the United Nations Verification Mission in Guatemala. The Committee notes from paragraphs 3.3 and 3.78 of the proposed programme budget that the estimated requirements would cover the period from

1 January to 31 March 1998 only. In this connection the Committee points out that in its response to the Secretary-General's statement of programme budget implications (A/C.5/51/47) in which he conveyed the same information, the Committee stated that the provisions of General Assembly resolution 41/213 of 19 December 1986 continued to apply, including those dealing with the treatment of additional expenditures related to peace and security. Bearing in mind that the Mission would be likely to continue until the end of 2000, the Committee indicated that it expected the proposed programme budget for the biennium 1998-1999 to include resources for the financing of the Mission for the biennium. The Committee regrets that the Secretary-General has not followed the recommended procedure in this case.

II.44. The Advisory Committee notes the information pertaining to ad hoc missions in paragraphs 3.4 and 3.88. As indicated, resources for those activities in the amount of $23,882,900 were granted by the General Assembly for the biennium 1996-1997. The Committee notes the Secretary-General's statement in paragraph 3.88 that the activities would either have been completed in that biennium or would be of an extraordinary nature and, as such, their extension could not be foreseen at the present time. Therefore, no provision had been made for those activities in the 1998-1999 proposals.

II.45. The Advisory Committee requested a breakdown of the amount of $23,882,900 and was provided with the following information:

Ad hoc missions	1996-1997 appropriations (thousands of United States dollars)
Programme budget implication statements submitted prior to the adoption of resolutions or revised estimates arising from decisions of the Security Council:	
Central American peace process	629.5
United Nations Special Mission to Afghanistan	5 665.2
International Commission of Inquiry in Rwanda	1 186.1
United Nations International Civilian Mission in Haiti	9 770.8
Office of the Secretary-General in Burundi	1 841.5
Political presence in El Salvador	2 154.1
Subtotal	21 247.2
Authorized by the Secretary-General under the authority granted to him by the General Assembly in resolutions on unforeseen and extraordinary expenditures and reported in the performance report:	
Secretary-General's Special Representative in Cambodia	567.6
United Nations Political Office for Somalia	946.1
Special Envoy for Tajikistan	57.5
Special Envoy for Sierra Leone	369.2
Special Envoy for Georgia	134.8

Ad hoc missions	1996-1997 appropriations (thousands of United States dollars)
Technical mission to Zaire	90.3
Personal Representative of the Secretary-General for the controversy between Guyana and Venezuela	29.2
Human rights fact-finding mission to Nigeria	163.1
Special Envoy of the Secretary-General for Ghana, Liberia and Nigeria	16.5
Goodwill mission to the Bakassi Peninsula	46.6
Special Envoy for the Great Lakes region of Central Africa	183.8
Mission to Sudan	31.0
Subtotal	2 635.7
Total	23 882.9

II.46. The Advisory Committee understands that additional missions of this nature envisaged for the near future are likely to cost a further $21 million, financing for which would be handled in accordance with General Assembly resolution 41/213.

Section 4. Peaceful uses of outer space

II.47. As shown in table 4.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 4 amounts to $4,380,400 before recosting, an increase of $204,000 against the 1996-1997 appropriations.

II.48. As also shown in table 4.1, extrabudgetary resources for the biennium are estimated at $460,000. Thus, the estimated resources and requirements for the biennium total $4,888,900.

II.49. As indicated in paragraph 4.10, the increase results mainly from the proposal for an increase of $45,700 for general temporary assistance for the meetings of the Committee on the Peaceful Uses of Outer Space and its subcommittees and for staffing requirements for preparation for the special session of the Committee on the Peaceful Uses of Outer Space (UNISPACE III). As indicated in paragraph 4.15, the estimated requirements of $22,700 would provide for the replacement of office automation equipment, while the resource growth of $13,200 is due to the fact this amount was previously included under section 26G, Administration, Vienna, and has now been proposed for redeployment to section 4.

II.50. As indicated in table 4.2, post requirements for 1998-1999 total 18, a decrease of one from 1996-1997. The 18 posts comprise 13 established posts in the Professional category and above and 5 at the General Service level; no posts are funded from extrabudgetary resources.

II.51. The Advisory Committee notes the programme of work described in paragraphs 4.6 and 4.7. The Committee requested and obtained details of programme indicators and outputs for the bienniums 1994-1995 and 1996-1997, as well as the proposed outputs for the biennium 1998-1999. From the information provided to it, the Committee believes that more has been programmed and more reports projected than can reasonably be implemented with the resources available.

II.52. While it was not possible to identify all the expenditures expected to be incurred in the preparation of UNISPACE III, the Advisory Committee was informed that the Committee recognized and agreed that all efforts should be made to keep the cost of UNISPACE III within existing resources by curtailing the documentation for and the duration of the sessions of the Committee and its subsidiary bodies during the year of the Conference.

PART III. INTERNATIONAL JUSTICE AND LAW

III.1. Part III of the proposed programme budget covers section 5, International Court of Justice ($22,077,000), and section 6, Legal affairs ($37,436,100).

Section 5. International Court of Justice

III.2. The estimate for section 5 for the biennium 1998-1999 amounts to $21,516,900 before recosting, which constitutes an increase of $1,531,000 compared with the 1996-1997 appropriations.

III.3. As indicated in paragraph 5.8 of the proposed programme budget, the estimates relating to the statutory entitlements of the members of the Court are scheduled for a comprehensive review by the General Assembly at its fifty-third session. The resources proposed in subsection A, based on existing rates, are therefore provisional. Any changes resulting from decisions taken by the Assembly at its fifty-third session with regard to emoluments and other conditions of service for the members of the Court will be reported in the performance report for the programme budget for the biennium 1998-1999.

III.4. The Advisory Committee was informed that, at present, the Court has 11 resident and 4 non-resident judges. There are also 14 ad hoc judges.

III.5. The Advisory Committee notes from table 5.2 of the proposed programme budget that the bulk of the 7.6 per cent increase in section 5 results from resource growth of $703,400 for temporary assistance for meetings (recruitment and travel of freelance interpreters, translators and stenographer-typists). The Committee was informed that a portion of those temporary funds was required for the translation services formerly provided by two P-4 staff on temporary posts. The Committee was informed that many cases involved thousands of pages of word processing and is of the opinion that if the workload continues to increase it may be necessary to examine the cost-effectiveness of providing temporary services against that of using staff on board. The current workload includes nine cases, with the possibility of the addition of two new ones during the coming biennium.

III.6. The Advisory Committee also notes the resource growth of $450,400 in contractual services for the coming biennium related to printing of the Court's publications and translation of the Court's documents. The Committee was informed that the intent was to restore resources to the level of 1994-1995, before the reduction during 1996-1997 necessitated by the economy measures. Furthermore, the resources requested reflect an attempt only to prevent the existing backlog, which dates back 10 years, from increasing any further, not to reduce it.

III.7. Although the Advisory Committee was informed of the limitations in the use of new technology, namely, that electronic records are not yet considered an alternative to hard copies of the judicial pronouncements, it recommends that the Court explore vigorously the introduction of modern technology, including methods used by regional and national judicial systems, as well as the experience of the Office of Legal Affairs in reducing its own backlog in the publication of treaties, with a view to improving and modernizing its capacity for storage, publication, retrieval and distribution of Court documents.

III.8. The Advisory Committee also believes that the General Assembly should encourage Member States to provide their own pleadings in the official languages of the Court (French and English) so that translation resources can be dedicated to the translation of the judicial rulings of the Court.

III.9. Paragraph 5.22 of the proposed programme budget indicates requirements of $2,695,100 for general operating expenses, including a resource growth of $601,000. Of that amount, $485,800 relates to an increase for the additional space used by the Court in the Peace Palace at The Hague. The Carnegie Foundation has requested that the contribution paid by the United Nations for the use of the premises of the Court be increased by 2.5 per cent in each year of the coming biennium. The Committee sought additional explanation regarding the basis for the request for that increase and what the 2.5 per cent rate represented. It was informed that the rate was based on price and wage data from the Central Plan Bureau (Netherlands Bureau for Economic Policy Analysis), in particular, the cost of government consumption, which integrates two components: wages and salaries of government employees and the cost of public administration buildings. The Bureau estimated price increases for public administration buildings of 2.8 per cent for 1997 and 2.5 per cent for 1998, while for private enterprise buildings the estimated price increase is 2.5 per cent for both 1997 and 1998.

III.10. The Advisory Committee notes, therefore, that the rate corresponds to the real estate inflation rate at The Hague, while the general inflation rate for cost of living applied at The Hague by the United Nations is 1.9 per cent. Furthermore, the Committee notes that specific inflation rates are not used in any other duty stations for the maintenance of premises. However, the Committee recalls in this regard that the General Assembly, in its resolution 50/214 of 23 December 1995, accepted the proposal made by the Committee in its report on conditions of service and compensation for officials other than Secretariat officials,[8] indicating that the provision on inflation would be subject to review by the Committee and approval by the Assembly each time it was requested.

III.11. As indicated in paragraph 5.15 of the proposed programme budget, the estimated requirements of $8,203,100 provide for the continuation of 57 posts: 54 established posts (22 at the Professional and 32 at the General Service level) and 3 General Service temporary posts. The Advisory Committee was informed of three vacancies, comprising one P-5, one P-2 and one General Service at the time of the hearings.

III.12. The Advisory Committee sought further information on the implementation of recommendations made by the External Auditors on various issues related to the travel estimates for the Court as well as overhead costs incurred by the United Nations in arbitration cases, as indicated in its first report on the proposed programme budget for the biennium 1996-1997.[9] In this regard, the Committee was informed that the External Auditors, in the context of the interim audit of the financial statements of the Court for the biennium ended in 1995, had made observations on the insufficiency of explanation pertaining to particular trips undertaken by some members of the Court. The Committee was assured, however, that the Registrar had provided clarification on those specific cases and that measures had been taken to ensure that cost justifications were provided in travel authorizations. The Committee was further informed that the issue of overhead costs incurred by the United Nations in arbitration cases was not among the issues covered by the External Auditors.

Section 6. Legal affairs

III.13. As shown in table 6.2 of the proposed programme budget, the Secretary-General's estimate for section 6 for 1998-1999 amounts to $31,791,300 before recosting, showing an increase of $1,536,800 against the 1996-1997 appropriations. In addition, an amount of $3,957,300 is shown under extrabudgetary resources. The Advisory Committee notes the considerable increase in the requirements under contractual services - from $1.1 million for 1996-1997 to $2.4 million in 1998-1999. The specific amounts, relating to external printing under each subprogramme, are indicated in paragraphs 6.19, 6.27, 6.68 and 6.114 of the proposed programme budget.

III.14. As indicated in paragraph 6.3, according to the medium-term plan for the period 1998-2001,[10] the overall objectives of programme 4, Legal affairs, are to provide a unified central legal service for the Secretariat and the principal and other organs of the United Nations. In this connection, the Advisory Committee recalls its comments made in its first report on the proposed programme budget for the biennium 1996-1997[11] regarding the need to ensure that procedures are in place so that any legal advice given by officers carrying out legal functions in the Secretariat other than in the Office of Legal Affairs - including those serving in peacekeeping operations - is consistent with the practice of the United Nations Legal Counsel.

III.15. As indicated in paragraph 6.15, the International Law Commission is to consider during its 1997 session whether to have a split session of five weeks in Geneva and five weeks in New York. Although the Advisory Committee was informed that such a session would affect the cost only marginally, it believes that other factors such as the meeting capacity at headquarters, which is already saturated, should be taken into consideration.

III.16. As indicated in table 6.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 142, representing a decrease of 3 regular budget posts as compared with the total of 145 for 1996-1997. As indicated in the same table, the total number of extrabudgetary posts proposed for 1998-1999 is 16 - two less than the total for 1996-1997. Of the three regular budget posts proposed to be abolished, the Advisory Committee was informed that they had been vacant for most of the current biennium.

III.17. The Advisory Committee queried savings of $9,000 per volume reported in the report entitled "UN 21: accelerating managerial reform for results" (A/51/873) with regard to the publishing of the Treaty Series Cumulative Index. The Committee was informed that no funds were available for release in this regard since the results had been achieved through the use of new technology, thus allowing for an increase in printing and clearing of the backlog within existing funds allocated for the period.

III.18. The Advisory Committee was informed upon enquiry that in past years part of the amount allocated for publication of the Monthly Statement of Treaties, the United Nations Treaty Series and the Treaty Series Cumulative Index was returned to the budget unutilized. That was the result of a sharp increase in the workload associated with the number of treaties and related publications, as well as the laborious and inefficient process involved. However, from 1995 onwards, the pace of publication picked up considerably: 28 volumes were published in 1993; 27 were published in 1994; in 1995 publication almost doubled to 58 volumes; 60 were produced in 1996; and 70 and 80 have been forecast for 1997 and 1998 respectively. Through a new multifaceted approach, which includes a major computerization and training programme, the Office of Legal Affairs plans to eliminate the backlog of the Treaty Series in three years, the Monthly Statement of Treaties in less time and the Treaty Series Cumulative Index within three years.

III.19. The Advisory Committee was informed, therefore, that the high expenditure associated with external printing would constitute a one-time cost - once the backlog was cleared, that high level of resources would not be required again. The Committee was also informed that the internal printing capacity could not handle such a large volume at present, in terms of the quantity and size of the volumes themselves. The Office envisages, however, a move from external typesetting to the repro-copying of treaties for publication and to desktop publishing - a technique already utilized in the Depositary Functions Unit and the Indexing Unit, as indicated in paragraph 6.104 of the proposed budget for 1998-1999. The Committee welcomes this information.

III.20. As indicated in paragraph 6.9 of the proposed budget, a total of five posts (4 Professional and 1 General Service) are being redeployed from the Office of Conference and Support Services to the Treaty Section in relation to subprogramme 6. The establishment of a P-3 post is proposed under programme support to provide common service to the Office of Legal Affairs in the area of systems analysis, with responsibilities for information systems, database design and development of office automation. Furthermore, as explained in paragraph 6.36, the proposal to reclassify a D-1 regular budget post to the D-2 level would accommodate the Director and Deputy to the Legal Counsel, who currently occupies a D-2 post funded from extrabudgetary resources. The latter D-2 post would accordingly be downgraded to the D-1 level. The Advisory Committee recommends this reclassification, which, in view of the functions of the post, should more appropriately be funded under the regular budget.

III.21. The abolition of six Professional posts and three General Service posts is also proposed in connection with subprogramme 4, Law of the sea and ocean affairs, in view of the restructuring of the programme of work related to the entry into force of the United Nations Convention on the Law of the Sea. The Advisory Committee requested additional information regarding the functions of the posts involved, in view of the heavy workload, and requests for consultancies and other staff costs. It is the view of the Committee that the core functions of the Office of Legal Affairs are better performed by experienced staff, acquainted with United Nations practice, on a permanent rather than a temporary basis.

III.22. The Advisory Committee reiterates its comments made in its previous report[12] recommending that the Secretary-General review the adequacy of reimbursements from extrabudgetary activities. It also reiterates its view that subscribers such as law firms and libraries should pay for the Yearbook of the United Nations Commission on International Trade Law.[13]

III.23. As indicated in paragraph 6.47(b)(ii) of the proposed programme budget, assistance will be provided by the General Legal Division in relation to procurement of supplies and services for peacekeeping, observer, humanitarian, good-offices, emergency and other special missions and the settlement of disputes and claims for property damage, personal injury and death. The Advisory Committee requested information on the amounts paid to lawyers and firms, nationalities and fees involved. The Committee intends to examine this matter in the context of its review of the report of the Secretary-General on the matter.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 6.1 and 6.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 6 would be a reclassification of a D-2 post in the Office of the Legal Counsel to the Assistant Secretary-General level and an increase of $48,100 from $31,791,300 to $31,839,400 before recosting.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

PART IV. INTERNATIONAL COOPERATION FOR DEVELOPMENT

IV.1. Under sections 7 to 15 (part IV) of the proposed programme budget, provisions of $294,792,100 (before recosting) are included for international cooperation and development. These comprise the proposed estimates for the Department for policy coordination and sustainable development ($43,137,200) in section 7; Africa: New Agenda for Development ($5,087,000) in section 8; the Department for Economic and Social Information and Policy Analysis ($48,702,700) in section 9; the Department for Development Support and Management Services ($26,075,000) in section 10; UNCTAD ($107,470,900) in section 11A; the International Trade Centre UNCTAD/WTO ($22,325,600) in section 11B; UNEP ($8,582,500) in section 12; the United Nations Centre for Human Settlements (Habitat) ($11,795,600) in section 13; crime control ($5,411,300) in section 14; and international drug control ($16,203,300) in section 15.

Sections 7, 9 and 10. Policy coordination and sustainable development; Economic and social information and policy analysis; and Development support and management services

IV.2. The Advisory Committee recalls that in his letter dated 17 March 1997 to the President of the General Assembly (A/51/829) the Secretary-General indicated:

> "Integrating support for policy formulation, analytical and normative functions and relevant technical cooperation activities will serve to reinforce the necessary critical mass available at Headquarters for this indispensable aspect of the work of the Organization and the overall effectiveness of the Secretariat ... The Secretariat has a central role in integrating substantive support to the concerned intergovernmental bodies, but this role is now diffused among the three Headquarters Departments mentioned above [i.e. the Department for Policy Coordination and Sustainable Development, the Department for Economic and Social Information and Policy Analysis and the Department for Development Support and Management Services]."

Accordingly, the Secretary-General announced that those three Departments would be merged into a single department and some of the functions and activities of the Department for Development Support and Management Services would be redistributed. The Committee was informed that revised budget estimates would be submitted for a single department. In that connection, the Committee notes that following its discussions with representatives of the Secretary-General on the subject, in his report of 11 September 1997 (A/52/303, paras. 7A.1-7A.60), the Secretary-General has outlined the programmatic and financial consequences of the actions and recommendations relating to the work of a new Department of Economic and Social Affairs, the rationale for which was described in his letter of 17 March 1997 to the President of the General Assembly (A/51/829) and in his report of 14 July 1997 (A/51/950, paras. 138-142).

IV.3. The Secretary-General's estimates for sections 7, 9 and 10 amount to $117,914,900 for the Department for Policy Coordination and Sustainable Development, the Department for Economic and Social Information and Policy Analysis and the Department for Development Support and Management Services, or about 4.8 per cent of the total budget of $2,479,298,600 (before recosting).

The provisions reflect a resource growth of $1,198,900, or a 2.8 per cent increase for the Department for Policy Coordination and Sustainable Development and $1,426,500 or 3.0 per cent for the Department for Economic and Social Information and Policy Analysis and a decrease in resources of $736,400 or 2.7 per cent for the Department for Development support and Management Services, as compared with 1996-1997 appropriations. Projected extrabudgetary resources for 1998-1999 amount to $12,738,000 as compared with estimates of $19,609,200 for 1996-1997 or a 35 per cent decrease for the Department for Policy Coordination and Sustainable Development, $7,526,200 as compared with $6,681,500 for 1996-1997 or 12.6 per cent increase for the Department for Economic and Social Information and Policy Analysis and $163,770,700 as compared with $164,653,900 or a 0.5 per cent decrease for 1996-1997 for the Department for Development Support and Management Services (tables 7.1, 9.1 and 10.1). Upon request, the Advisory Committee was informed that a further decrease in extrabudgetary resources was expected as a result of a 50 per cent reduction in the UNFPA contributions to the Department for Economic and Social Information and Policy Analysis. The Committee notes with concern the decrease in the projections of extrabudgetary resources for 1998-1999.

IV.4. As indicated in paragraph 7.2, in 1998-1999, the programme of work of the Department for Policy Coordination and Sustainable Development includes facilitation and promotion of enhanced policy coordination and greater cooperation and collaboration among the organizations of the United Nations system in the economic and social areas, in particular, through the Administrative Committee on Coordination and its subsidiary bodies. In that connection, the Advisory Committee requested information on the number of meetings held and the cost of the machinery of the Administrative Committee. The Advisory Committee was informed that in 1997 the Administrative Committee and its 20 subsidiary committees and subcommittees would hold 185 meetings (83 days); however, no information was provided with respect to the number of meetings planned for 1998-1999 and their cost implications. As regards conference services provided to the meetings of those bodies, the Advisory Committee was informed that the Administrative Committee itself required simultaneous interpretation and translation of documents in English and French, but that subsidiary bodies worked in English only. The meetings of the Administrative Committee and its subsidiary bodies were held on a rotation basis in New York, Geneva, Vienna, Nairobi and other United Nations offices, as well as at the headquarters of the specialized agencies. The Committee is of the view that the number of meetings and the cost of the Administrative Committee on Coordination and its machinery should be more transparent. To that end, the Committee requests the Secretary-General, as Chairman of the Administrative Committee on Coordination, to include in the next budget information in that regard, as well as information on the subsidiary machinery of the Committee.

IV.5. As indicated in table 7.3, the total number of regular budget posts proposed for the Department for Policy Coordination and Sustainable Development for the biennium 1998-1999 is 196 (113 Professional and 83 General Service), representing a decrease of 15 regular budget posts (4 Professional and 11 General Service), as compared with the total of 211 regular budget posts for the biennium 1996-1997. As indicated in table 7.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 24 (18 Professional and 6 General Service), representing an increase of 2 extrabudgetary posts (1 Professional and 1 General Service), as compared with the total of 22 extrabudgetary posts for the biennium 1996-1997.

IV.6. In addition, the Committee was informed that two gratis personnel (type 1), one P-5 and one P-4/3, for the Global Modelling Forum and Agenda 21, respectively, were expected to continue during the biennium 1998-1999. Upon request, the Committee was informed that, as at 30 April 1997, the Department for Policy Coordination and Sustainable Development had 26 vacant posts (18 Professional and 8 General Service). The Advisory Committee notes the high number of vacant Professional posts.

IV.7. The Advisory Committee notes from paragraphs 7.8 and 7.83 and tables 7.3 and 7.18 that, as at 31 December 1998, the resources related to combating desertification, particularly in Africa (sect. 7, subprogramme 5), would be discontinued. Pursuant to General Assembly resolution 51/180 of 16 December 1996, the resources proposed under subprogramme 5 for the interim secretariat of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, represented the requirements for the activities to be undertaken in 1998 only. The Committee points out that the 11 posts under subprogramme 5 (one D-2, one D-1, three P-3/4, one P-5 and five General Service) are not included in the staffing tables of section 7. The Committee is of the view that the information presented with regard to the post requirements in section 7 lacks transparency and is potentially misleading. The Committee believes that the 11 posts should have been reflected under subprogramme 5 in the corresponding staffing tables of section 7, indicating in footnotes that the financing of those posts would be discontinued as at 31 December 1998 (see chap. I, para. 73). Furthermore, the Committee requests that the Secretary-General, in the context of the next programme budget, provide information on current and envisaged arrangements, if any, with conventions served by the United Nations.

IV.8. With respect to the programme of work of the Department for Policy Coordination and Sustainable Development for 1998-1999, the Advisory Committee sought clarification on the extent to which intergovernmental bodies that oversee the work of the Department (e.g. the Commission on the Status of Women, the Commission on Sustainable Development and the Commission for Social Development) have examined the programmatic proposals of the Secretary-General. The Committee was informed that intergovernmental bodies had taken note of the relevant Department's programme of work, with the exception of the programme on combating desertification. In the case of the Commission on the Status of Women and the Commission for Social Development, a few specific comments were also made.[14] The Committee was provided with a list of parliamentary documentation for each major organ, indicating the type of servicing projected for 1998-1999, as well as a tabulation of the actual meetings held and reports submitted in 1994-1995, under implementation in 1996-1997 and estimated for 1998-1999.

IV.9. The Advisory Committee requested information on the impact that the budget reductions in 1996-1997 had on the implementation of the Department's mandated work programme and as to how the Secretary-General intended to dispose in 1998-1999 of those outputs deferred, postponed or curtailed in 1996-1997. The Committee was provided with information on the impact that the reductions had on the work of the Division for the Advancement of Women and on that of the Division for Policy Coordination and Economic and Social Council Affairs (see also A/C.5/51/53, paras. 24 and 25). The Committee notes that the mandated activities for the advancement of women were significantly curtailed and that in a number of areas the scope of work in 1998-1999 would be at the 1996-1997 level. The Committee is of the view that the resources requested by the Secretary-General for the Department for 1998-1999 may be limited in relation to the proposed programme of work and that, consequently, there may be built-in inefficiencies and constraints to carrying out the work programme successfully in 1998-1999. Furthermore, in the Committee's opinion, it is not clear from the information received that the Secretariat had sought the guidance on this matter from the relevant intergovernmental bodies that oversee the work of the Department.

IV.10. As indicated in paragraph 7.41 (c) (iii), the Department for Policy Coordination and Sustainable Development will maintain liaison, as required, with 1,700 non-governmental organizations in consultative status with the Economic and Social Council. In paragraph 7.36, the Secretary-General has requested an amount of $399,000 as a contribution by the United Nations to the financing of the activities of the Non-Governmental Liaison Service for 1998-1999. Upon request, the Advisory Committee was informed that, owing to the sharp increase in the number of non-governmental organizations in consultative status with Economic and Social Council (from 1,500 in 1996-1997 to 1,700 in 1998-1999) and the resource constraints in 1996-1997, the Department had found it impossible adequately to fulfil the mandate of Economic and Social Council resolution 1996/31 to strengthen United Nations/non-governmental organization relations through more interactive processes such as seminars and conferences. The Advisory Committee is aware that budgetary provisions related to non-governmental organizations are contained in other sections of the budget. In that connection, the Committee requested information on the total level of resources proposed for non-governmental organizations for the biennium 1998-1999. The Committee regrets that such information was not provided.

IV.11. The Advisory Committee believes that the time has come to appraise the impact on the United Nations programme budget of the large increase in non-governmental organizations involved in the work of the United Nations since administration and cost implications will become more critical in view of the financial constraints facing the Organization.

IV.12. As indicated in table 9.3, the total number of regular budget posts proposed for the Department for Economic and Social Information and Policy Analysis for the biennium 1998-1999 is 258 (142 Professional and 116 General Service), representing a decrease of 20 regular budget posts (6 Professional and 14 General Service), as compared with the total of 278 regular budget posts for the biennium 1996-1997. As indicated in table 9.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 30 (21 Professional and 9 General Service), representing an increase of one extrabudgetary post as compared with the total of 29 extrabudgetary posts for the biennium 1996-1997. In addition, the Committee was informed that gratis personnel contributed for 1996-1997, that is, one P-5 for advice in the area of national accounts and three P-4/3 for macroeconomics and statistical work, were expected to continue in the biennium 1998-1999. Upon request, the Committee was informed that, as at 30 April 1997, the Department had 38 vacant posts (27 Professional and 11 General Service).

IV.13. The programme of work of the Department for Economic and Social Information and Policy Analysis derives its legislative authority from a broad body of intergovernmental mandates provided by the General Assembly and the Economic and Social Council and its Statistical Commission and Commission on Population and Development. Furthermore, as indicated in paragraph 9.3, some new dimensions have been added to its programme by the action programmes adopted by the United Nations Conference on Environment and Development, the International Conference on Population and Development, the World Summit for Social Development and the Fourth World Conference on Women.

IV.14. The Advisory Committee was informed that the Department's work programme had been reviewed and endorsed by its intergovernmental bodies. However, as indicated in chapter I with regard to the budget as a whole, the Committee points out that it is not clear from the Secretary-General's budget proposal what programme activities and outputs were proposed in direct response to specific requests by the competent intergovernmental machinery and which had originated from the Department itself. The Advisory Committee believes that there should be an accurate costing of the implications of the decisions of intergovernmental bodies as they relate to the programme of work.

IV.15. The Advisory Committee notes from paragraph 9.39 that the staffing requirements for 1998-1999 of subprogramme 2, Population, include 26 posts in the Professional category and above, as in 1996-1997. Although no abolition of posts is proposed for this subprogramme, one post at the P-5 level is proposed for reclassification to the P-4 level "to reflect enhanced functions in the area of migration". Upon enquiry, the Committee was informed that the rationale for the downgrading of the post was to realize further economies. The Committee recalls that the Secretary-General had requested this post at the P-5 level in the context of the proposed programme budget for the biennium 1996-1997,[15] in view of the importance of covering the issues of international migration. Under the circumstances, although the Committee recognizes the Secretary-General's authority to reclassify posts up to the level of P-5, he should have explained his action in the case better. In that connection, the Committee recalls what it has indicated in chapter I, paragraphs 20 and 72.

IV.16. As indicated in table 10.3, the total number of regular budget posts proposed for the Department for Development Support and Management Services for the biennium 1998-1999 is 148 (60 Professional and 88 General Service), representing a decrease of 10 regular budget posts (1 Professional and 9 General Service), as compared with the total of 158 regular budget posts for the biennium 1996-1997. As indicated in table 10.3, the total of extrabudgetary posts proposed for the biennium 1998-1999 is 57 posts (43 Professional and 14 General Service), representing a decrease of one Professional. Upon request, the Committee was informed that, as at 30 April 1997, the Department had 12 vacant posts (4 Professional and 8 General Service).

IV.17 The Advisory Committee was provided with a revised organizational chart proposed for 1998-1999. The Committee notes from the chart and paragraph 10.25 that a P-5 post is proposed for redeployment from the Vienna Reconstruction Unit to the Office at Geneva (from subprogramme 2, Environment and social development management, to subprogramme 1, Public administration, finance and development). The Committee recalls that this P-5 post was transferred, in the context of the 1996-1997 programme budget, from the Office at Geneva to the Vienna Unit so that economies could be realized.[16] The Committee notes that the Department has requested separate provisions of $2,300,600 for an Executive Office (one P-5, one P-4/3 and seven General Service) under programme support. The Committee trusts that, as noted above in paragraph IV.2, savings will be realized in administration and programme support with the merging of the executive office functions of the Department for Policy Coordination and Sustainable Development, the Department for Economic and Social Information and Policy Analysis and the Department for Development Support and Management Services.

IV.18. It appears to the Committee that in a number of cases posts are proposed for abolition solely because they are vacant. As discussed in chapter I, the Committee believes that it is necessary to come to some clear understanding of the criteria that should apply for the abolition of posts. In the view of the Committee, the functions of the vacant posts proposed for abolition may well be of a continuing nature and necessary to deliver mandated programmes of the United Nations in the economic and social areas.

IV.19. The Advisory Committee was not provided with evidence that the publication programmes of the three Departments had been fully reviewed and endorsed by the competent intergovernmental bodies. In that connection, the Committee recalls what it stated in paragraph VII.8 of its first report on the proposed programme budget for the biennium 1996-1997[1] and paragraph 113 of chapter I. In the opinion of the Committee, it has also not been demonstrated that all publications of the three Departments fulfil a clear identifiable need, that they do not duplicate other publications inside and outside the United Nations and that they are produced in a cost-effective manner, also taking into account feedback from the readership. The Advisory Committee recommends that the intergovernmental machinery of the new merged department encompassing units of the three former Departments become more actively involved in an in-depth review of its publications programme. Furthermore, the Advisory Committee requests the Secretary-General to explore the use of new methods and technologies for the production and dissemination of publications in a more economical manner (i.e. further use of CD-ROMs and the Internet as preferred media for dissemination of economic and social statistics).

IV.20. The Committee requests a better division of labour between UNCTAD and the Headquarters departments dealing with economic and development issues in studies concerning such fields as trade, investment and development (see sect. 11A, para. 11A.31). The Committee was unable to obtain, for example, a clear explanation as to how such collaboration was achieved on such annual publications as the World Economic and Social Survey. From the current budget submission, there is little evidence that an evaluation has been made to ascertain whether or not there is duplication of published materials emanating from the various units within the United Nations and, based on readership, what publications should continue to be issued on an annual basis and what others on a different basis. The Committee notes that, subsequent to its discussions with representatives of the Secretary-General on the subject, in paragraph 142 (b) of his report of 14 July 1997 (A/51/950), the Secretary-General indicates that the new Department of Economic and Social Affairs and UNCTAD will undertake a review of their activities in the macroeconomic area in order to strengthen their cooperation and rationalize and enhance United Nations work in this area.

Section 8. Africa: New Agenda for Development

IV.21. Under section 8 of the proposed programme budget, the Secretary-General estimates regular budget requirements of $5,087,000 (before recosting) for 1998-1999 for the implementation of the United Nations New Agenda for the Development of Africa in the 1990s, as compared with $4,365,800 appropriated for 1996-1997, or a 16.5 per cent increase. Extrabudgetary resources are projected at $2,890,900 for 1998-1999, as compared with estimates of $1,915,500 for 1996-1997, or an increase of 50.9 per cent (table 8.1). The implementation of programme activities under this section will be under the joint responsibility of the Department for Policy Coordination and Sustainable Development, ECA and the Department of Public Information.

IV.22. Posts requirements under section 8 for 1998-1999 (table 8.3) include 19 regular budget posts (12 Professional and 7 General Service), reflecting an additional post at the P-4/3 level. Temporary posts to be financed from extrabudgetary resources are projected at seven posts (four Professional, two General Service and one Local level), showing a reduction of one P-4/3 post.

Section 11A. Trade and development

IV.23. As indicated in paragraphs 11A.1-11A.3, at its ninth session, held at Midrand, South Africa, in April 1996, UNCTAD adopted far-reaching reforms that included a streamlined intergovernmental machinery, improved working methods, a reduced number of meetings and a restructuring of the secretariat. The Conference decided that the UNCTAD programme of work should concentrate on four areas: globalization and development; investment, enterprise development and technology; international trade in goods and services and commodities issues; and services infrastructure for development and trade efficiency. The Conference also decided that programme issues of least developed, landlocked and island developing countries, sustainable development, poverty alleviation, the empowerment of women and cooperation among developing countries should be treated as cross-cutting issues and be integrated into every aspect of the UNCTAD work programme (para. 11A.3).

IV.24. In addition to the quadrennial conference, UNCTAD's streamlined intergovernmental machinery consists of the Trade and Development Board and three subsidiary bodies, the Commission on Trade in Goods and Services, and Commodities, the Commission on Investment, Technology and Related Financial Issues and the Commission on Enterprise, Business Facilitation and Development (para. 11A.4). Previously, the Trade and Development Board's subsidiary machinery had included nine bodies.[17] Each of the commission of the Trade and Development Board may convene expert meetings of not more than three days' duration, with the total number of meetings not exceeding 10 per annum (para. 11A.5).

IV.25. Resources for 1998-1999 are estimated at $107,470,900 (before recosting) for UNCTAD. The provision reflects a resource decrease of $2,755,400 or 2.4 per cent from the 1996-1997 appropriations. Projected extrabudgetary resources for 1998-1999 amount to $44,088,100 as compared with $39,508,300 for 1996-1997.

IV.26. As indicated in table 11A.3, the total number of regular budget posts proposed for UNCTAD for the biennium 1998-1999 is 394 (227 Professional and 167 General Service), representing a decrease of 53 regular budget posts (31 Professional and 22 General Service), as compared with the total of 447 regular budget posts for the biennium 1996-1997. As indicated in table 11A.3, the total of extrabudgetary posts proposed for the biennium 1998-1999 is 32 (13 Professional and 19 General Service), representing an increase of 3 General Service extrabudgetary posts.

IV.27. The proposed post reduction includes 11 posts to be transferred to the regional commissions' budgets for 1998-1999, as follows: three posts to ESCAP (one P-5, one P-3 and one Local level), three to ECLAC (one P-5, one P-4 and one Local level), three to ECA (one P-5, one P-4 and one Local level) and two to ESCWA (one P-5 and one Local level). These 11 posts were already allocated to the UNCTAD/regional commissions joint units in 1996-1997 and their activities were implemented from the headquarters of the various regional commissions. The Committee trusts that this development will not adversely affect the interaction between UNCTAD and the regional commissions in substantive activities of common interest. The UNCTAD staffing proposal for 1998-1999 also includes the reclassification of one D-2 post to the Assistant Secretary-General level and the conversion of a regular budget temporary D-2-level post to established status. Accordingly, the actual number of posts proposed for abolition is 43 posts (25 Professional and 18 General Service). Upon request, the Committee was informed that, as at 30 April 1997, UNCTAD had 64 vacant posts (41 Professional and 23 General Service).

IV.28. The Advisory Committee recalls that in section III, paragraph 26, of its resolution 50/214 of 23 December 1995 the General Assembly approved the establishment of a P-4 post for the follow-up to the Global Conference on the Sustainable Development of Small Island Developing States and requested the Secretary-General to fill the position on a priority basis. In that regard, upon request, the Committee was informed that the position had not yet been filled on a permanent basis. The Committee regrets this and trusts that urgent action will be taken.

IV.29. The Advisory Committee notes from table 11A.2 that, after the far-reaching reforms encompassing "a streamlined intergovernmental machinery, improved working methods, a reduced number of meetings and restructuring of the secretariat of UNCTAD" (para. 11A.2), there is a proposal for a reduction of 2.4 per cent in UNCTAD's resource requirement for 1998-1999. The Committee notes that there is a 4.9 per cent reduction in the provision for posts but provisions for other staff costs (i.e. general temporary assistance and overtime) increase by 14 per cent, for consultants by 7.2 per cent and for furniture and equipment by 44 per cent. Reductions proposed for travel and contractual services in the regular budget are largely offset by substantial increases in those categories of expenditure under extrabudgetary resources.

IV.30. Provisions for consultants and ad hoc expert groups amount to $2,677,900 under the regular budget and $22,010,000 under extrabudgetary resources. Under the regular budget, these include $13,600 for external evaluation of the management and programme implementation (para. 11A.22), $637,700 for globalization and development (para. 11A.31), $1,092,600 for investment enterprise development and technology (para. 11A.42), $421,900 for international trade in goods and services and commodities (para. 11A.54), $245,100 for services infrastructure for development and trade efficiency (para. 11A.63), and $255,600 for issues related to least developed, landlocked and island developing countries (para. 11A.71). The Advisory Committee sought clarification as to how many of the consultants would also serve as members of the ad hoc expert groups, since, as indicated in paragraph 11A.31, a consultant will assist in the preparation of the ad hoc expert group on economic cooperation among developing countries. The Committee was provided with a detailed breakdown of the programme of work of the consultants and of the ad hoc expert groups under each subprogramme.

IV.31. The Committee notes that the increased provisions for consultants ($513,600) and for ad hoc expert groups ($124,100) are required "to ensure that the full programme of work can be fulfilled with the reduced complement of staff that have been requested above" (para. 11A.31). From the information provided, the Advisory Committee is of the view that the estimates for consultants and ad hoc expert groups appear to be more than what will be required to cover the cost of specialized consultancy expertise not available in the secretariat for the preparation of mandated studies and reports. Information provided to the Advisory Committee indicates that a large number of studies are included in the UNCTAD work programme on the initiative of the Secretariat. Furthermore, the Committee points out that in paragraph 11A.54 (a) $275,900 is requested to prepare, inter alia, "country-specific studies on the dynamic effects of the Uruguay Round agreements on development", with no details concerning the number of such studies. In the Committee's opinion, related estimates, in various instances, would cover the cost of supplementary staff services in addition to those already available. The Committee is, therefore, of the view that there is a need to identify more clearly the work to be carried out by consultants, ad hoc expert groups and the staff of the UNCTAD secretariat.

IV.32. In table 11A.7 and paragraph 11A.18, post requirements of the Office of the Secretary-General of UNCTAD reflect an increase of an additional post at the Assistant Secretary-General level. In paragraph 11A.7 it is explained that a D-2 post is proposed for reclassification to the Assistant Secretary-General level in view of the increased responsibility that the demands of strategic planning and management of the new structure place on the Deputy Secretary-General of the Conference. It is also proposed to convert another D-2 post from a temporary to an established basis in subprogramme 2, Investment, enterprise development and technology (see table 11A.14). The Committee has no objection to these requests for the reasons given by the Secretary-General.

IV.33. With reference to the UNCTAD publication programme, the Advisory Committee recalls its observations in paragraphs IV.34 to IV.36 of its first report on the proposed programme budget for the biennium 1996-1997.[1] The Committee had indicated that, in addition to the parliamentary documentation, there was a proliferation of publications issued by UNCTAD, including a number of recurrent and non-recurrent publications and published material, such as newsletters, bulletins, handbooks, fact sheets and pamphlets. The Committee reiterated its concern regarding the potential for duplication of activities, especially as regards published material, between UNCTAD and other entities within the United Nations. The Committee also noted that there was no evidence of a comprehensive evaluation of the UNCTAD publications programme so as to ascertain whether or not all publications currently being issued should be continued (see chap. I, paras. 113 and 114).

IV.34. In that connection, the Advisory Committee was informed by representatives of UNCTAD that a detailed review of its publications had been made in 1996. From the report United Nations publications: cost-effectiveness in implementing legislative mandates prepared by the Joint Inspection Unit (A/51/946, para. 55), the Committee also notes that a complete list of publications proposed for the biennium 1998-1999 has already been made available to Member States for their review. The Committee notes, however, that the report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-seventh session[18] provides no evidence that such a review was undertaken by the Working Party.

IV.35. As indicated in paragraphs 11A.12 and 11A.39 (a) (i), the UNCTAD intergovernmental machinery also includes the Commission on Science and Technology for Development, which provides overall direction to UNCTAD's related programme of work. The Commission, composed of 53 members, meets biennially and reports to the Economic and Social Council. The Advisory Committee notes that the reports to be submitted to the Commission at its fourth session, in 1999, are to be decided by the Commission at its third session, in 1997. In the Committee's opinion, this renders questionable the basis for formulating the estimates for the relevant non-recurrent publications listed in paragraph 11A.39 (b) (ii).

IV.36. In paragraphs 11A.29 (b) (iii), 11A.39 (b) (iii), 11A.52 (b) (iv) and 11A.61 (b) (iii), a large number of technical projects are described relating to computer software packages and materials that UNCTAD will furnish to member States. The Advisory Committee was informed that the related estimates covered would be under extrabudgetary resources and that the computer software and materials were geared primarily for use by developing countries. They include booklets, technical notes, user guides, glossaries and administrators' manuals;

interactive teaching materials; computerized statistical databases; and reproduction and dissemination of information in electronic format, such as CD-ROMs and through the Internet. The Committee was informed that the software packages required regular maintenance and upgrading and that, in view of the precarious extrabudgetary resource situation, UNCTAD was considering the possibility of charging a small fee to users to allow for continuing support by the UNCTAD secretariat. The Committee recognizes the importance of those services to the developing countries. In view of the resource situation, the Committee encourages UNCTAD to pursue this course of action without delay to ensure that there is no interruption of services, in particular to the least developed countries. The Committee is of the view that, with respect to those countries, UNCTAD should be flexible in charging user fees. In that connection, the Committee recalls that it had recommended that the Secretary-General explore fully the possibility of generating revenues from the sale of on-line United Nations database information services, as well as from the production and sale of recurrent publications.[19]

Section 11B. International Trade Centre UNCTAD/WTO

IV.37. As indicated in paragraph 11B.7 the administrative and financial arrangements for the International Trade Centre UNCTAD/GATT (ITC) were agreed upon between the secretariats of the United Nations and the former General Agreement on Tariffs and Trade (GATT) in 1974 and reported upon to the General Assembly (A/C.5/1533 and A/C.5/1604). Under these arrangements, ITC is a subsidiary organ of both the United Nations (acting through the United Nations Commission on Trade and Development (UNCTAD)) and GATT. Since 1995, GATT responsibilities have been taken over by the World Trade Organization (WTO).

IV.38. The Advisory Committee was provided with the exchange of letters, dated 29 September 1995, between the Secretary-General of the United Nations and the Director-General of WTO on the relations between these two organizations. It was agreed that the arrangements and practices described in document A/AC.179/5 of 9 March 1976 in respect of the United Nations/GATT relationship provide a suitable basis to continue to guide relations between the United Nations and the World Trade Organization. With respect to ITC, it was agreed to recommend to the responsible intergovernmental organs that present arrangements governing the status of ITC as a joint body be confirmed and renewed with WTO subject to revised budgetary arrangements as called for by the General Council of WTO.

IV.39. As indicated in paragraph 11B.8, on 3 April 1995, the WTO General Council decided that the ITC budget would be subject to the same preparation and reporting procedures as the WTO budget itself. Accordingly, the ITC budget would cover a calendar year and would be presented in Swiss francs. Furthermore, the budget would be formulated by the ITC secretariat using exchange rates and inflation factors to be decided upon jointly between the ITC and the WTO secretariats in consultation with the United Nations.

IV.40. As indicated in paragraph 11B.9, ITC proposes to start, with the biennium 1998-1999, the new budgetary procedures endorsed by the WTO General Council prior to the concurrence of the General Assembly. Upon inquiry, the Advisory Committee was informed that, in May 1997, an outline of the ITC budget was presented orally to the WTO Finance and Budget Committee and that, in October 1997, the ITC budget will be submitted to that Committee, which will then report to the WTO General Council. The proposals to the Assembly on the level of the appropriation to finance the United Nations share of the ITC annual budgets would continue to be based on relevant Assembly resolutions and the

Financial Regulations and Rules of the United Nations. The ITC annual budget proposals for 1998 and 1999 will be submitted to the General Assembly at its fifty-second and fifty-third sessions, respectively.

IV.41. The Advisory Committee notes with concern that the arrangements entered into by the Secretary-General with the Director-General of WTO, in the exchange of correspondence of September 1995, have not yet been submitted to the General Assembly. The Committee is of the view that the agreement between the secretariats of the United Nations and the former GATT in 1974 is still in force until the Assembly reviews the agreement between the United Nations and WTO.

IV.42. The Advisory Committee considers it essential that both the General Assembly and the WTO General Council have the views of the Committee before acting on the budget proposals of ITC. The Committee recommends that financial and budgetary arrangements of ITC include provisions for the ITC secretariat to submit its full budget proposal to the Committee for consideration at its spring session in the year preceding the start of the relevant budgetary period, and not in October.

IV.43. As regards the proposed estimates for the biennium 1998-1999, the Advisory Committee notes that, at this stage, the Secretary-General is requesting a provisional maintenance budget of $22,326,600 (before recosting). The level of the proposed appropriation for financing the United Nations share of the ITC budget has been set at its 1996-1997 cost-sharing level. No details were provided to the Committee on the breakdown of this contribution. The Committee therefore cannot take a position on the United Nations share at this time. The Committee will revert to this matter upon receipt of proposals to revise existing procedures for ITC and the ITC budget which would be prepared in accordance with agreed procedures.

Section 12. Environment

IV.44. Under section 12 of the proposed programme budget, the Secretary-General estimates regular budget requirements of $8,582,500 (before recosting) for the United Nations Environment Programme (UNEP) for 1998-1999, as compared to $8,231,100 for 1996-1997, or a 4.2 per cent increase. Extrabudgetary resources are projected at $235,908,900 for 1998-1999, as compared to $224,609,800 for 1996-1997, or an increase of 5 per cent (see table 12.1).

IV.45. The Advisory Committee points out that the UNEP extrabudgetary resource projection for 1998-1999 may not be attainable. As indicated in paragraph 12.6, the Governing Council of UNEP, in its decision 19/22 of 7 February 1997, approved an appropriation of $75 million for Fund programme activities (against a proposal of $80 million), or 17 per cent lower than the budget originally approved for the biennium 1996-1997 ($90 million). As shown in table 12.1, the actual resources for Fund programme activities for 1996-1997 amounted to $68,499,300, or a drop of 24 per cent from the original estimate of $90 million. By the same decision, the Governing Council approved a management and administrative support costs budget of $27.5 million for 1998-1999 (against a proposal of $32.7 million). In addition, an extraordinary appropriation of $1 million was approved by the Governing Council, comprising $500,000 for studies requested by the Governing Council for activities directly related to the implementation of improved management and administrative practices by UNEP, and $500,000 for the costs associated with the anticipated special session of the Governing Council in the event that these costs are not covered by the regular budget of the United Nations. The Committee notes from paragraph 126 that UNEP will be reporting to the Governing Council on the implementation of decision 19/22 in the latter part of 1997.

IV.46. As indicated in table 12.3, the total number of regular budget posts proposed for UNEP for the biennium 1998-1999 is 39 (22 in the Professional category and above, 6 General Service and 11 Local level), representing a decrease of 4 regular budget posts (1 Professional and 3 Local level), as compared with the total of 43 posts for the biennium 1996-1997. As indicated in table 12.3, the total number of extrabudgetary posts is 600 (296 in the Professional category and above, 98 General Service and 206 Local level), representing a decrease of 191 extrabudgetary posts (71 Professional, 37 General Service and 83 Local level), as compared with the total of 791 extrabudgetary posts for the 1996-1997 biennium. In addition, the Committee was informed that one gratis personnel (Junior Professional Officer) assists the UNEP Regional Office for North America. Upon request, the Committee was informed that, as at 30 April 1997, UNEP had 9 vacant posts against the regular budget (one P-5, six P-4, one P-3 and one Local level). Proposed posts for abolition are one P-5 and three Local level posts (see para. 12.7).

IV.47. The Advisory Committee notes the marked reduction in extrabudgetary posts proposed for 1998-1999 in conjunction with the foreseen sharp drop in contributions to the Environment Fund. Nevertheless, the Committee is of the view that the UNEP staffing table still remains top-heavy as compared to other programmes of the United Nations system, with 17 D-2 and 26 D-1 posts (see table 12.3), of which 3 D-2 and 1 D-1 are financed from the regular budget. The Advisory Committee notes that this issue has been discussed at length in the Office of Internal Oversight Services (see A/51/810, paras. 39-42). Further, it notes that the UNEP Governing Council, in its decision 19/29 B of 4 April 1997, requested the Committee of Permanent Representatives (i.e. "representatives of all States Members of the United Nations and members of its specialized agencies and the European Community, accredited to the United Nations Environment Programme, whether based in Nairobi or outside" (UNEP Governing Council decision 19/32 of 4 April 1997)), taking into account the report of the Office of Internal Oversight Services on the review of UNEP and the administrative practices of its secretariat, including the United Nations Office at Nairobi, to make an assessment of the functioning of the secretariat of UNEP and to make specific recommendations to the Council at its twentieth session as to how to make the secretariat more efficient, effective and transparent.

IV.48. The Advisory Committee notes with concern that UNEP faces a marked decline in resources accompanied by serious shortcomings in its management and administration. These have been extensively discussed in the report of the Board of Auditors on the Fund of the United Nations Environment Programme for the biennium ended 31 December 1995[20] and in the report of the Office of Internal Oversight Services (A/51/810). The Committee notes that the Secretary-General concurred with the recommendations contained in section VIII of the report of the Office of Internal Oversight Services. The Committee intends to follow up on the matters discussed in paragraphs IV.45 to IV.47 above, in the context of its examination of the revised estimates for the management and administration support costs budget of UNEP for 1998-1999.

IV.49. UNEP regional representation is addressed in paragraphs 12.18 to 12.21. The Regional Offices for North America in New York and the Regional Office for Europe at Geneva are funded in part from the regular budget (see para. 12.18). Upon inquiry, the Advisory Committee was informed that the New York Office covers annually about 200 meetings, with very limited staff. The work was carried out with the assistance of loaned personnel and a Junior Professional

Officer. The Committee notes that the Governing Council of UNEP, in its decision 19/31 of 7 February 1997, requested the Executive Director to strengthen the regional offices of UNEP by providing them with appropriate functional and administrative capabilities to enable decentralized implementation of regional environmental programmes and priorities, as developed by regional and subregional ministerial meetings. The Committee cautions against UNEP spreading itself too thinly in the process of decentralization of operations (see also A/51/810, paras. 35-38). Unless the financial situation of UNEP improves, the administration and other expenditure required for the decentralized structure might adversely affect the capacity of UNEP to deliver its mandated programmes.

IV.50. Table 12.12 shows the sources of extrabudgetary resources projected for 1998-1999 by specific trust fund. The Advisory Committee notes from the report of the Governing Council of UNEP on the work of its nineteenth session[21] that the Council undertook an extensive review of the management issues and cost of administering UNEP trust funds. The Executive Director had reported to the Council on an interim analysis of the cost to UNEP of administering trust funds and, in particular, whether that cost is covered by 13 per cent administrative support charged levied on trust funds. The Executive Director's interim analysis concluded that several factors point to the likelihood that the real cost of administering trust fund programmes might actually be higher than can be stated using the current methodology.[22] It was proposed to maintain the current arrangements while keeping them under review. The Committee notes that, in its decision 19/24 B of 7 February 1997 on management issues and the cost of administering trust funds, the Council requested the Executive Director to fulfil decision 18/44 in a more comprehensive manner by identifying the full administrative and management costs incurred by the individual trust funds and UNEP. The Committee is of the view that systematic reviews such as those undertaken by the Governing Council of UNEP can serve as an example for other intergovernmental governing bodies in their reviews of activities funded by trust funds.

IV.51. In its decision 19/32, the Governing Council created a 36-member inter-sessional High-Level Committee of Ministers and Officials in Charge of Environment, which will meet at Nairobi annually and assume some of the duties and responsibilities of the Governing Council. In the same decision, the Governing Council also formalized the establishment of the Committee of Permanent Representatives, which will hold four regular meetings a year, and decided that an appropriate budget would be allocated by the Governing Council for the two subsidiary organs. The financial implications of the decision would not be borne by the Environment Fund and should be within the financial provisions currently available for meetings of the Governing Council.

IV.52. As indicated in paragraph 12.84 (m), during 1998-1999, under subprogramme 5, Global and regional servicing and support, the activities of UNEPNET/Mercure global communications system will continue. The Mercure satellite communications project has been the subject of detailed comments by the Advisory Committee[23] and the Office of Internal Oversight Services (see A/51/810, paras. 130-133). The Committee has also requested the Board of Auditors to conduct a special audit on the Mercure project. The Committee notes that in section II, paragraph 7, of its decision 19/22 of 7 February 1997 the Governing Council authorized the redeployment of telecommunications and electronic services and the Mercure system from the management and administrative support costs budget into the Fund programme activities budget, resulting in the abolition of 11 management and administrative support costs posts (5 Professional and 6 General Service); the redeployment of the Resource

Mobilization Unit from the management and administrative support costs budget into the Fund programme activities budget, resulting in the abolition of 7 posts (3 Professional and 4 General Service). The Committee reiterates its view on this matter that, taking into account the nature of services to be provided through the Mercure system, the costs for the implementation, management and maintenance of the system should be covered and presented under the management and administrative support costs budget of UNEP.[24] Accordingly, the Committee recommends that the Executive Director include the costs of the Mercure system and the Resource Mobilization Unit in the revised management and administrative support costs budget for 1998-1999 to be submitted to the Governing Council through the Committee in the latter part of 1997.

Section 13. Human settlements

IV.53. Under section 13 of the proposed programme budget, the Secretary-General estimates regular budget requirements of $11,795,600 (before recosting) for the United Nations Centre for Human Settlements (Habitat) for 1998-1999, as compared to $11,731,700 for 1996-1997, or a 0.5 per cent increase. Extrabudgetary resources are projected at $80,950,900 for 1998-1999 as compared to $78,922,300 for 1996-1997, or an increase of 2.6 per cent (see table 13.1).

IV.54. As in the case of UNEP, the Advisory Committee is concerned with the continuous resource decline faced by Habitat and its serious administrative and financial management shortcomings. The Committee has commented on these matters in some detail.[25] These issues have also been reviewed and discussed extensively in the report of the Board of Auditors on the United Nations Habitat and Human Settlements Foundation for the biennium ended 31 December 1995[26] and by the Office of Internal Oversight Services in its report on the review of the programme and administrative practices of the United Nations Centre for Human Settlements (Habitat) (A/51/884). The Committee notes from the report of the Commission on Human Settlements on the work of its sixteenth session that, in its decision 16/29 of 7 May 1997, the Commission requested the Secretary-General to take any necessary action to provide Habitat with the capacity to improve its financial and administrative management.

IV.55. In this connection, the Advisory Committee recalls that in paragraph 20 of its resolution 51/177 of 16 December 1996 the General Assembly requested the Secretary-General, in consultation with the Commission on Human Settlements, to ensure more effective functioning of the Centre by, inter alia, providing sufficient human and financial resources within the regular budget of the United Nations. The Committee notes that in its resolution 16/8 of 7 May 1997, the Commission provided the Secretary-General with guiding principles to take into account, in undertaking the comprehensive and in-depth assessment requested by the Assembly in its resolution 51/177, and requested the Executive Director of the Centre to report to the Commission at its seventeenth session, to be held in 1999, on the implementation of resolution 16/8.

IV.56. As indicated in table 13.3, the total number of regular budget posts proposed for Habitat for the biennium 1998-1999 is 66 (42 in the Professional category and above, 2 General Service and 22 Local level), representing a decrease of 7 regular budget posts (2 Professional and 5 Local level), as compared to the total of 73 regular budget posts for the biennium 1996-1997. As indicated in the table, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 151 (70 in the Professional category and above and 81 Local level), representing an increase of 10 extrabudgetary post (2 Professional and 8 Local level), as compared with the total of 141 extrabudgetary posts for the biennium 1996-1997. Upon request, the Advisory Committee was informed that, as at 30 April 1997, Habitat had 10 vacant posts against the regular budget (1 D-1, 5 P-3, 2 P-2 and 2 Local level). Two P-3 and five Local level posts are proposed for abolition (see para. 13.5).

IV.57. As indicated in paragraph 13.2, the 1998-1999 programme of work reflects significant programmatic changes from that of 1996-1997 as a result of the incorporation of the recommendations of the United Nations Conference on Human Settlements (Habitat II), held in June 1996. The number of subprogrammes has been reduced from eight to the following four: (a) Shelter and social services, (b) Urban management, (c) Environment and infrastructure and (d) Assessment, monitoring and information.

IV.58. The Advisory Committee notes that in its decision 16/28 of 7 May 1997 on the draft work programme of Habitat for the biennium 1998-1999, the Commission on Human Settlements requested the secretariat of the Centre to prepare, by 15 June 1997, a revised work programme, taking into full account its conclusions and priority setting, plus an additional version organized according to the structure of the Habitat Agenda, with a clear indication of linkages between paragraphs of the Habitat Agenda and the work programme. The revised draft work programme was to be subjected to review and approval, four weeks after its submission, by the Bureau of the Commission, with the support of the Committee of Permanent Representatives.

IV.59. From the information provided to the Advisory Committee, it is not clear the extent to which the Commission on Human Settlements reviewed the programme of work of the Centre in terms of prospects for its full implementation. In this connection, the Committee invites the Commission to review and assess, in the light of the critical financial situation of the Centre and of the United Nations Habitat and Human Settlements Foundation,[27] the Centre's planned programme activities and outputs, in particular the recurrent and non-recurrent publications, with a view to determining which ones need to be dispensed with or postponed.

IV.60. The Advisory Committee recalls that, for the proposed programme budget for the biennium 1996-1997, the integration of all the administrative and support functions into one office in Nairobi entailed the transfer of resources from both regular budget and extrabudgetary resources of UNEP, Habitat and the United Nations Common Services, Nairobi, into the newly established United Nations Office at Nairobi. The Office of the United Nations Controller, in consultation with representatives of Habitat and UNEP agreed on proportions for the financing of the common administration.[28] In its report on the proposed budget of the United Nations Habitat and Human Settlements Foundation for the biennium 1998-1999,[29] the Committee recommended that the basis for the cost distribution be reviewed. In this connection, the Committee notes that in paragraph 2 (d) of its resolution 16/19 of 7 May 1997 the Commission urged the Executive Director of Habitat to review the Centre's operational relationship with the United Nations Office at Nairobi. Furthermore, the Governing Council of UNEP, in its decision 19/22 of 7 February 1997, requested the Executive Director of UNEP to report, inter alia, on UNEP interaction with the United Nations Office at Nairobi and whether it is efficient and effective in delivering on the programmes of UNEP.

Section 14. Crime control

IV.61. Under section 14 of the proposed programme budget, the Secretary-General estimates regular budget requirements of $5,411,300 (before recosting) for the Crime Prevention and Criminal Justice Division for 1998-1999, as compared to $5,194,900 for 1996-1997, or a 4.1 per cent increase. Extrabudgetary resources are projected at $1,600,000 for 1998-1999 as compared to $1,521,300 for 1996-1997, or an increase of 5.2 per cent (see table 14.1).

IV.62. As indicated in table 14.3, the total number of regular budget posts proposed for the Division for the biennium 1998-1999 is 21 (16 in the Professional category and above and 5 General Service). One General Service post is proposed for abolition. No Professional posts are proposed for abolition. As indicated in the table, the total number of extrabudgetary posts for the biennium 1998-1999 is 11 Professional posts (including nine associate experts at the P-2/1 level), representing an increase of 1 Professional post. Moreover, the Advisory Committee was informed that the Division is assisted by three type I gratis personnel, who provide expert advice and substantive input in general and judicial police activities and in criminal justice administration. The Committee was provided with an organizational chart showing the proposed organizational structure and post distribution for 1998-1999.

IV.63. Upon request, the Advisory Committee was informed that, as at 30 April 1997, the Division had four vacant posts against the regular budget (1 P-5, 1 P-3, 1 P-2 and 1 General Service). Proposed changes in the staffing table include the redeployment to the Division of one D-1 and one P-5 posts from the Office of the Director-General of the United Nations Office at Vienna in exchange for one P-4 and one P-3 posts. The D-1 post is proposed for the Deputy Director, who will also perform the functions of Secretary of the Commission on Crime Prevention and Criminal Justice. The P-5 post is proposed for the head of the Section on Operational Activities and Commission's Secretariat Section (see paras. 14.3 and 14.13). From the information provided, the Committee believes that convincing arguments have not yet been stated in support of the redeployment of the D-1 post to this Division.

IV.64. The Commission on Crime Prevention and Criminal Justice holds annual sessions in Vienna for eight working days. In addition, in its resolution 5/3 of 31 May 1996, the Commission requested its bureau to meet during the periods between sessions and to endeavour to hold inter-sessional meetings with the bureau of the Commission on Narcotics Drugs. It also established an Informal Consultative Group on Resource Mobilization (see para. 14.5). The Advisory Committee sought clarification on the number of meetings to be serviced by the Division. The Committee was informed that substantive servicing of intergovernmental/expert bodies included 12 meetings of the General Assembly (Third Committee), 10 of the General Assembly's special sessions on illicit drug production and trafficking, 12 of the Economic and Social Council, 32 of the Commission on Crime Prevention and Criminal Justice, 24 of the Commission's in-session working group, 12 of the Commission's Bureau, 12 of the Commission's inter-sessional consultations, 8 of the Commission's Informal Consultative Group on Resource Mobilization and 6 of the Commission's Working Group on Resources and Mandates.

IV.65. The Advisory Committee notes that the Division's work programme merely lists the number of meetings to be serviced and the number of reports to be prepared and submitted. In several instances, it is not clear what the output is going to be or by what means the secretariat intends to implement the work programme. For example, in paragraph 14.12 (b) (i), under promotion of legal instruments, these include the United Nations model treaties on extradition, mutual assistance in criminal matters, the transfer of proceedings in criminal matters and the transfer of foreign prisoners and the promotion of the International Code of Conduct for Public Officials.

IV.66. In the view of the Advisory Committee, it appears that the number of reports to be submitted to the Commission will be more than can be handled in 16 meetings. Moreover, the Committee notes that in 1999 the work programme will be particularly heavy owing to additional preparatory work for the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders to be held in the year 2000. The Committee notes that there is no discussion in the report as to how the normal work programme will be adjusted to accommodate this extra work. The Committee believes that the number of meetings may not be adequately serviced and that the Commission may not have the capacity to receive and consider all the reports.

IV.67. Upon request, the Advisory Committee was provided with a detailed description of the proposed programme of work for the Division for the biennium 1998-1999.[30] The Committee notes the discussion held by the Commission on the work programme and its decisions taken on strategic management and programme questions (see chapter IX of the report of the Commission on its sixth session[31] and resolution 6/1 of 9 May 1997). The Committee notes from paragraph 147 of the Commission's report that it expressed concern over the continuing disparity between the number and breadth of the mandates and the resources available to meet them. It was pointed out in paragraph 149 of the report that the workload in the work programme, even though it reflected existing mandates, was far too heavy to be carried out within the resources provided.

IV.68. The Advisory Committee regrets, however, that no firm solution to this dichotomy was agreed upon. Some suggested approaches to the issue are outlined in paragraph 12 of the Commission's report, such as deletion of certain items from the proposed programme of work and funding of other items not through the regular budget but only with extrabudgetary funds, and the use of savings arising from streamlined parliamentary reporting to reinforce the operational capacity of the programme.

IV.69. In its resolution 6/1 on strategic management, the Commission reiterated its decision to curtail and streamline its reporting requirements and urged the Secretary-General to use his discretion in determining the necessity, form and length of such reporting. The Chairman of the Commission was requested to convene an informal working group of the members of the Commission to undertake, in consultation with its Bureau, a review of the programme mandates and resources with a view to establishing a more realistic relationship between them and that the review should focus on the expectations of Member States for the implementation of existing mandates, the requirements for meeting those expectations and the extent to which regular budget resources are to be used to support operational activities. The working group will consider the issue of maximizing the existing resource potential of the programme and of streamlining the agenda of the Commission. It is worth noting also that in section II of resolution 6/1, on resource mobilization, the Commission requested the Secretary-General to issue a consolidated appeal on crime prevention and criminal justice requirements to Governments.

Section 15. International drug control

IV.70. Under section 15 of the proposed programme budget, the Secretary-General estimates regular budget requirements of $16,203,300 (before recosting) for the United Nations International Drug Control Programme for 1998-1999, as compared to $16,195,000 for 1996-1997. Extrabudgetary resources are projected at $162,298,000 for 1998-1999, as compared to $141,235,100 for 1996-1997, or an increase of 14.9 per cent (see table 15.1).

IV.71. As indicated in table 15.3, the total number of regular budget posts proposed for the Programme for the biennium 1998-1999 is 68 (44 in the Professional category and above and 24 General Service), representing a decrease of 5 regular budget posts (1 Professional and 4 General Service), as compared with the total of 73 regular budget posts for the biennium 1996-1997. As indicated in the table, the total number of extrabudgetary posts proposed for the 1998-1999 biennium is 237 (95 in the Professional category and above and 142 General Service), representing a decrease of 20 extrabudgetary Professional posts, as compared to 257 extrabudgetary posts for the biennium 1996-1997. The Advisory Committee was provided with an organizational chart showing the proposed organizational structure and post distribution for 1998-1999 and was informed that the Programme has been assisted by 20 associate experts at the P-2/1 level (not shown in the table). Upon request, the Committee was informed that, as at 30 April 1997, the Programme had 9 vacant posts (6 Professional and 3 General Service) under the regular budget.

IV.72. The General Assembly, in its resolution 45/179 of 21 December 1990, established the Programme as the body responsible for concerted international action in the field of drug abuse control. Programme activities are financed from the regular budget of the United Nations and by voluntary contributions for the Fund of the Programme. For the biennium 1994-1995, less than 10 per cent of Programme resources came from the regular budget of the United Nations and about 90.3 per cent from voluntary contributions for the Fund of the Programme.[32] The Fund was established by the General Assembly in section XVI of its resolution 46/185 C of 20 December 1991, as from 1 January 1992, under the direct responsibility of the Executive Director of the Programme for financing operational activities mainly in developing countries.

IV.73. The regular budget resources of the Programme are allocated mainly for servicing the intergovernmental bodies and the International Narcotics Control Board (an independent technical body, established by the 1961 Single Convention on Narcotic Drugs). As regards voluntary contributions for the Fund, in section XVI, paragraph 2, of its resolution 46/185 C the General Assembly authorized the Commission on Narcotic Drugs to approve, on the basis of the proposals of the Executive Director of the Programme, both the budget of the programme of the Fund and the administrative and programme support costs budget, other than the expenditures borne by the regular budget of the United Nations. Accordingly, the Advisory Committee considers the reports of the Executive Director on the biennial budget estimates of the Fund and submits recommendations to the Commission on Narcotic Drugs. The next budget of the Fund will be considered by the Advisory Committee in the autumn of 1997.

IV.74. The Commission on Narcotic Drugs holds regular annual sessions and a biennial resumed session devoted to administrative and budgetary matters. The Advisory Committee welcomes the coordination mechanism established between the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice mentioned in paragraph IV.64 above.

IV.75. With regard to the programme of work of the Programme, the Advisory Committee notes that, for 1998-1999, it has been restructured from eight to three subprogrammes. The Committee notes, however, that there is no evidence from the reports of the Commission on Narcotic Drugs submitted to the Economic and Social Council at its substantive session of 1997[33] and of the International Narcotics Control Board for 1996[34] that the programme of work has been reviewed by these two bodies.

IV.76. Taking into account the fact that the Advisory Committee makes separate recommendations to the governing body of the Fund in respect of its biennial budget proposals (see para. IV.73 above), the Committee recommends that the presentation of section 15 of the regular budget be reviewed with a view to streamlining its content and explaining more precisely how the inputs from the regular budget are used to support the activities funded from the Fund. In the opinion of the Committee, the current narratives clutter the presentation of the proposals, with lengthy descriptions of activities which are not funded from the resources of the regular budget.

PART V. REGIONAL COOPERATION FOR DEVELOPMENT

V.1. The Secretary-General's estimate for part V of the proposed programme budget for the biennium 1998-1999 amounts to $399,362,600, comprising a total of $90,771,600 for sections 16A, Economic and social development in Africa, and section 16B, Regional Commissions New York Office; $73,408,100 for section 17, Economic and social development in Asia and the Pacific; $49,310,800 for section 18, Economic development in Europe; $90,245,500 for section 19, Economic and social development in Latin America and the Caribbean; $49,704,800 for section 20, Economic and social development in Western Asia; and $45,921,800 for section 21, Regular programme of technical cooperation.

V.2. During its consideration of the budget proposals for the regional commissions, the Advisory Committee observed that a number of elements are common in all of the budget submissions.

V.3. The budget submissions for the regional commissions should have indicated activities and services that were initially envisaged for the biennium 1996-1997 but were postponed to 1998-1999 in order to meet the budget reductions (see chap. I, para. 12).

V.4 The Advisory Committee points out the lack of uniformity in the presentation of programmes of activities of the regional commissions. While the budget submissions for the Economic Commission for Africa (ECA), the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA) include a number of substantive activities under programme support, the submissions for the Economic Commission for Europe (ECE) and the Economic Commission for Latin America and the Caribbean (ECLAC) list under programme support only traditional support functions such as administrative, conference and library services and common support services. The Committee recommends that the format of presentation of programmes of activities of the regional commissions should be reviewed with a view to delineating more clearly substantive activities vis-à-vis programme support and harmonizing the budget presentation.

V.5. Moreover, the Advisory Committee points out that the methodology for arriving at the estimated percentage distribution of total resources within a budget section between the programme of work and programme support needs to be further refined. The Committee notes that the level of resources proposed for programme support in some regional commissions continues to be high in relation to resources requested for the programme of work. In this regard, the Committee reiterates its view contained in paragraph V.7 of its first report on the proposed programme budget for the biennium 1996-1997[1] that the requirements for programme support should have been considerably lower and that the resources thus released could have been diverted to substantive activities.

V.6. The budget submissions for the regional commissions should indicate more clearly the extent of review by intergovernmental organs of the programmes of work of the commissions and their various organizational and institutional issues, including intergovernmental structures. The results of such reviews should be summarized, preferably in a table, indicating the main changes in the number of intergovernmental bodies and changes in conference-servicing requirements, including the number and duration of meetings. The budget submissions should identify the financial implications resulting from intergovernmental reviews, as well as proposed re-allocation within the same budget section of released resources to other priority issues. Furthermore, all increases in requirements resulting from intergovernmental reviews should also be indicated in the budget submissions.

V.7. In the course of its consideration of part V of the proposed programme budget, the Advisory Committee was informed that a number of publications proposed for the biennium 1998-1999 were initiated by the secretariats of the commissions. The Committee recommends that future budget submissions identify publications initiated by the secretariats, including studies to be undertaken by consultants. Furthermore, the Committee recommends that future budget submissions indicate more clearly intended users of United Nations publications, both recurrent and non-recurrent. The Committee also reiterates its view reflected in paragraph 76 of its first report on the proposed programme budget for the biennium 1996-1997[1] that the Secretariat should indicate to the relevant intergovernmental bodies the number, type, cost and audience of each publication, the date intended for publication, the date when each publication was first requested, who requested such publication, when it was last reviewed and by whom.

V.8. The Advisory Committee notes the trend for significantly increasing resources for consultants and experts in the regional commissions: ECA - 47.7 per cent, ECLAC - 44.5 per cent, ECE - 12.7 per cent, ESCWA - 16.8 per cent and ESCAP - 8.1 per cent. In this connection, the Committee draws attention to its comments and observations in paragraph 83 of chapter I and points out also that requirements for consultants in future budget submissions should be prepared in accordance with such guidelines which the General Assembly may wish to establish as a result of its consideration of the report of the Secretary-General on the comprehensive policy guidelines on consultants to be submitted in accordance with section VI, paragraph 4, of Assembly resolution 51/226 of 3 April 1997.

V.9. In connection with the proposed redeployment of posts and non-staff resources from UNCTAD to the regional commissions, the Advisory Committee points out that the budget submissions should have identified all resources proposed for redeployment between budget sections. The Committee recommends that the next budget submissions indicate, explain and justify all proposed redeployments of posts and non-staff resources between budget sections.

V.10. The description of activities and services of the regional commissions should be presented more clearly to permit a quantitative and qualitative monitoring of programme implementation. The activities to be performed by the regional commissions include coordination, cooperation and liaison, although in most instances it is not possible to ascertain by what means and at what cost they will be accomplished. The Advisory Committee recommends that the description of international cooperation and inter-agency coordination and liaison be significantly improved so that Member States are provided with a clear picture of how these activities relate and contribute to other quantifiable and/or identifiable mandated activities.

V.11. The Advisory Committee notes that proposed estimates for travel in the budget submissions for ESCAP, ECE and ECLAC show various rates of growth (13.5 per cent for ESCAP, 3.9 per cent for ECE and 0.4 per cent for ECLAC). The Committee recalls, in this connection, its earlier observation that with the advent of technological innovations and the on-line availability of information, expenditures in this area could, in some cases, be considerably lowered.[35] The Committee reiterates its position on this matter and requests that additional measures be taken to reduce travel costs in ESCAP, ECE and ECLAC in future budgets.

V.12. The budget submissions do not currently allow for objective analysis of the ratio of General Service support posts to Professional posts, since some staff occupying General Service posts perform functions other than clerical. The budget submissions should also have contained information on gratis personnel. The Advisory Committee recalls the provision of General Assembly resolution 51/243 by which the Assembly requested the Secretary-General to phase out expeditiously type II gratis personnel, as well as action 3 of the Secretary-General's measures and proposals for reform contained in his report on renewing the United Nations: a programme for reform (A/51/950) in which it is stated that a plan will be developed to phase out the use of gratis personnel in the Secretariat at the earliest possible date. The Committee recommends that information on all types of personnel should be readily available in the context of the its review of a proposed programme budget.

Section 16A. Economic and social development in Africa

V.13. As shown in table 16A.1 of the proposed programme budget, the regular budget estimate for section 16A for 1998-1999 amounts to $89,552,300, showing an increase of $1,568,300 over the 1996-1997 appropriations. The extrabudgetary resources of ECA for the biennium 1998-1999 are estimated at $15,840,600, which reflects a decrease of $536,100 compared with 1996-1997 estimates.

V.14. The Advisory Committee notes from paragraph 16A.7 that the growth of 1.9 per cent in proposed regular budget resources represents the combined effect of the delayed impact of the posts established in 1996-1997 (2 P-3 and 3 Local level posts), the application of new standardized vacancy rates, the redeployment from UNCTAD of two Professional and one Local level posts, increases and decreases under various non-post objects of expenditure and the proposed abolition of 15 Professional and 40 Local level posts. The Committee was informed that 44 Professional and 36 Local level posts were vacant in ECA as at 30 April 1997.

V.15. As indicated in table 16A.3 the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 62, compared with 60 posts for the biennium 1996-1997. The net increase of two extrabudgetary posts reflects an increase of three Local level posts under programme support which is partly offset by a decrease of one Professional (P-5) post under programme of work.

V.16. As can be seen from the table in paragraph 16A.7, the Secretary-General estimates that of the total resources proposed under section 16A, 55.8 per cent of regular budget resources and 80.8 per cent of extrabudgetary resources would be spent on activities relating to the programme of work, while 40.6 per cent of regular budget resources and 16.3 per cent of extrabudgetary resources would be required for programme support. The Advisory Committee notes that resources for some substantive activities are currently shown under programme support (for example, activities indicated in paragraphs 16A.91 (a) and (b)), while some resources for administrative support are included under programme of work (for example, each subregional development centre has one Professional staff at the P-2 level dealing with administrative support and their costs are included under programme of work). In this connection, the Committee draws attention to its recommendation in paragraph V.4 above.

V.17. As indicated in paragraph 16A.5 of the budget submission for ECA, the number of substantive divisions has been reduced to five and 55 posts are proposed for abolition as a result of the streamlining of the programme of work and the restructuring of the secretariat. Part of the resulting savings will be used to increase resources in four areas: (a) consultants, (b) ad hoc expert group meetings, (c) data-processing equipment and (d) general operating expenses.

V.18. The Advisory Committee points out, in this connection, that it finds the distinction between substantive and non-substantive divisions of ECA to be somewhat blurred. As can be seen from paragraph 16A.91 of the budget submission, the three divisions which fall under the category "programme support" also perform a number of substantive functions, such as substantive servicing of meetings, preparation of parliamentary documentation and international cooperation and inter-agency coordination and liaison. The Committee requests, therefore, that a management review of functions currently assigned to all divisions of ECA be undertaken by the Executive-Secretary with the view to establishing clear and transparent lines of responsibility between the divisions dealing with substantive and programme support functions.

V.19. As indicated in paragraph 16A.5 of the proposed programme budget, the increased allocation of resources to consultants, ad hoc expert group meetings, data-processing equipment and general operating expenses will give ECA greater flexibility in programme implementation. According to the Secretary-General, the use of consultants and experts would also provide ECA staff the opportunity to train so as to eventually be able to carry out many of these functions themselves. The Advisory Committee points out, in this connection, that in order to ensure an effective transfer of knowledge and expertise from short-term consultants and experts to ECA staff, deliberate management action to promote training needs to be taken by the ECA administration, since mere interaction with experts is unlikely, in the view of the Committee, to result in a tangible increase in staff knowledge.

V.20. The Advisory Committee notes from paragraph 16A.5 (d) that the increase in resources for general operating expenses will be used primarily to strengthen the multinational programming and operational centres (MULPOCs), which have been renamed subregional development centres. Moreover, as stated in paragraph 16A.25, a particularly important measure aimed at enhancing the impact of the work of the Commission is decentralization of staff and activities to the subregional level. About 25 per cent of all ECA staff will be deployed to the five subregional development centres.

V.21. The Advisory Committee welcomes the attention of the administration of the Commission to the needs of the subregional development centres and requests that effective steps be taken to ensure that qualified staff are assigned to the centres and that operating facilities, including enhanced communications and computing capacity, are provided.

V.22. The Advisory Committee notes from paragraph 16A.6 that the programme of work of ECA for the biennium 1998-1999 reflects a further consolidation, which resulted in a reduction of the current nine subprogrammes to that of five priority areas of activity. As indicated in paragraph 16A.22, the Commission's programme of work for the biennium 1998-1999 is derived from the medium-term plan for the period 1998-2001[10] and is based on the new programme structure approved as part of the reforms launched since mid-1995.

V.23. Information on the structure of policy-making organs of ECA and on the pattern of their meetings is contained in paragraphs 16A.8 to 16A.10. During its deliberations, however, the Advisory Committee was informed that as a result of the restructuring of the intergovernmental organs of ECA, the following subsidiary bodies were proposed for abolition: (a) the Conference of African

Ministers responsible for Human Development; (b) the Conference of African Ministers responsible for Sustainable Development and Environment; (c) the Conference of African Ministers responsible for Trade and Regional Cooperation and Integration; (d) the Conference of African Ministers of Transport and Communications (in 1999); (e) the Conference of African Ministers of Industry (in 2001); (f) the United Nations Regional Cartographic Conference for Africa; (g) the African Regional Conference on Science and Technology; and (h) the Joint Conference of African Planners, Statisticians, Demographers and Information Specialists. A new structure of intergovernmental bodies of ECA, as proposed by the Conference of African Ministers at its thirty-second session, held in May 1997, is as follows:

Legislative organs dealing with overall development issues

1. Conference of African Ministers responsible for Economic and Social Development and Planning (the Commission) and its Technical Preparatory Committee of the Whole (biennial)

2. Follow-up Committee of the Commission (biennial - inter-sessional years)

3. Intergovernmental Committee of Experts of the five subregional development centres (annual)

Conferences of Ministers

1. Conference of African Ministers of Finance, and its Committee of Experts (biennial)

2. Conference of African Ministers of Transport and Communications (biennial) - to be abolished in 1999

3. Conference of African Ministers of Industry (biennial) - to be abolished in 2001

Subsidiary bodies

1. Committee on Women and Development (biennial)

2. Committee on Development Information (biennial)

3. Committee on Sustainable Development (biennial)

4. Committee on Human Development and Civil Society (biennial)

5. Committee on Industry and Private Sector Development (biennial)

6. Committee on Natural Resources and Science and Technology (biennial)

7. Committee on Regional Cooperation and Integration (biennial)

V.24. The Advisory Committee was also informed that the new intergovernmental structure of ECA had been approved by the Economic and Social Council in its resolution 1997/5 of 18 July 1997. The necessary revisions will be reflected in the final document of the proposed programme budget for the biennium 1998-1999.

V.25. The Advisory Committee welcomes and commends the efforts of the Commission to streamline its structure and to set up new modalities for programme delivery. In this connection, the Committee notes that there will be fewer reports and a reduction in the number and frequency of meetings, as reflected in paragraph 16A.25. The table below, which is based on information provided to the Committee, illustrates some of the reductions:

	1996-1997 (1)	1998-1999 (2)	(2) to (1) (percentage)
Intergovernmental reports	109	44	40.4
Recurrent publications	49	33	67.3
Non-recurrent publications	119	82	68.9

V.26. Upon enquiry, the Advisory Committee was informed that a significant number of both recurrent and non-recurrent publications are initiated by the ECA secretariat and are later presented to the intergovernmental machinery, often in the context of the work programme; moreover, a large number of publications will be based on studies to be prepared by outside consultants and experts (examples of such publications are indicated in paragraphs 16A.51 (b) (ii) and 16A.54). In this connection, the Committee draws attention to its recommendation in paragraph V.7 above on the need to identify publications and studies to be undertaken by consultants.

V.27. The Advisory Committee also notes from paragraph 16A.25 that to enhance the quality of its documents, ECA will improve content by more vigorous technical editing and peer review and that such activities will be complemented by periodic surveys to measure client satisfaction. While welcoming this intention, the Committee points out that this should have resulted in reductions in resource requirements for printing, translation, reproduction and editing. However, more resources are being requested for these activities. The Committee also draws attention to its recommendation in paragraph V.7 above on the need to clearly identify intended users of United Nations publications.

V.28. The Advisory Committee notes the proposed abolition of two P-3 translator posts. At the same time, the Committee notes from paragraphs 16A.38 and 16A.82 that a total amount of $225,400 is proposed under contractual services for outside translation and editing. The Committee was not provided with a convincing justification for the proposed abolition of the two posts and therefore questions this proposal.

V.29. A provision of $36,700 is requested for the training of two translators (see para. 16A.97). The Advisory Committee recalls, in this connection, that the Commission had initiated in the biennium 1992-1993 a revival of a training programme for translators/precis-writers in accordance with the requirements of section II of resolution 45/248 B of 21 December 1990.[36] Considerable resources have been spent on the programme since the biennium 1992-1993. The Committee was informed, upon enquiry, that 26 out of 53 participants in the training programme had successfully passed the final examinations since the inception of the programme in 1978-1979.

V.30. Almost half ($413,200) of the total estimated requirements under contractual services ($954,400) of ECA relates to salaries of full-time and part-time language teachers. The Committee was informed, on request, that the language programme is implemented by three full-time language teachers (1 in Arabic, 1 in English and 1 in French) and eight part-time instructors (1 in Arabic, 4 in English and 3 in French). Full-time teachers are paid on a monthly basis and part-time teachers are paid on an hourly basis at the hourly rate of $30/hour effective 1 September 1994.

V.31. As can be seen from table 16A.2, the largest resource growth for ECA is proposed under general operating expenses ($1,390,900). The Committee notes from paragraph 16A.98 that the bulk of the growth ($1,055,000) is mainly attributable to the operation of the new conference facilities, in particular maintenance requirements for electrical, mechanical and air-conditioning systems and interpretation equipment.

V.32. With regard to extrabudgetary resources, the Advisory Committee recalls that it had recommended in the past that causes for a decline in extrabudgetary resources received by all of the regional commissions be identified and examined.[37] The Committee was informed, in this connection, that a sharp decrease in 1998-1999 estimates under the United Nations Trust Fund for African Development is due, in fact, to a change in accounting of the two largest bilateral voluntary contributions, which during the current biennium were recorded under the Fund; such contributions are reflected for the biennium 1998-1999 under bilateral sources and not under the Fund (see table 16A.1).

V.33. The Advisory Committee was also informed, upon request, that an estimated extrabudgetary provision of $3,106,800 reflected under services in support of extrabudgetary activities of table 16A.1 includes: (a) an amount of $1,978,600 relating to the ECA Clinic Fund, which represents an increase of $375,300; and (b) an amount of $1,128,200 for programme support, representing an increase of $120,700, commensurate with the level of extrabudgetary resources expected to be raised. With regard to the ECA clinic, the Committee was informed that since December 1994, the services of the clinic were no longer provided free of charge to staff members, who in turn had started claiming reimbursement from their respective medical insurance schemes. ECA staff, as well as that of other participating United Nations agencies, are provided various medical services, including surgery, dentistry, cardiology, paediatrics, ophthalmology, psychiatry, neurology, radiology, etc. Participating agencies are charged a per capita contribution, which is based on the projected total clinic budget less income from services rendered to staff members. Upon the Committee's request, the secretariat clarified that the reason for the increased cost estimates for the clinic for 1998-1999 was that with the increased income expected to be realized from charges to staff, the clinic was planning to expand its services by hiring additional consulting doctors, purchasing medical equipment (a one-time expense) and acquiring medical supplies.

Section 16B. Regional Commissions New York Office

V.34. The Advisory Committee was informed that there was no particular significance in attaching section 16B, Regional Commissions New York Office, of the proposed programme budget to section 16A. Paragraphs 16B.1 and 16B.2 provide a description of the activities of the Regional Commissions New York Office. With the exception of small reductions under general temporary assistance ($600), overtime ($1,300) and travel of staff ($4,500), the resources requirements for the Office are proposed at the maintenance level and provide for three posts in the Professional category and above and three General Service posts. The Committee has commented further on liaison offices in chapter I, paragraph 116.

Section 17. Economic and social development in Asia and the Pacific

V.35. The Secretary-General's estimate for section 17 for the biennium 1998-1999, as reflected in table 17.1, amounts to $73,408,100 under the regular budget and $31,353,800 in extrabudgetary resources. The proposed requirements under the regular budget show a growth of $424,600 (or 0.6 per cent) over the revised 1996-1997 appropriations. As can be seen from tables 17.1 and 17.2 the growth is all attributable to the programme of work and to increased requirements, mainly under other staff costs ($367,900) and travel ($151,900).

V.36. As reflected in table 17.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 468, representing a net decrease of 47 regular budget posts as compared with the total of 515 posts for the biennium 1996-1997. This decrease reflects the abolition of 50 posts (of which 24 posts are to be abolished effective 1 January 1999 and not at the start of the biennium), which is somewhat offset by the redeployment to ESCAP of 3 posts from UNCTAD. The Advisory Committee points out that table 17.3 should have contained a footnote indicating the effective date of the abolition of these 24 posts. The Committee was informed, upon enquiry, that the proposed budget includes resources for salaries and common staff costs for the 24 posts for the period from 1 January to 31 December 1998. The Committee was also informed that there were 69 vacancies in ESCAP as of 30 April 1997.

V.37. In the course of its deliberations, the Advisory Committee was informed that there are currently 25 gratis personnel (type I) in ESCAP. The Committee inquired into what appears to be a relatively high ratio of General Service posts to Professional posts and was informed that a large number of General Service staff do not perform clerical functions. In this connection, the Committee draws attention to its recommendation in paragraph V.12 above that detailed information on all types of personnel should be readily available in the context of the Committee's review of a proposed programme budget.

V.38. With regard to the redeployment to this section of three posts and non-post resources from UNCTAD for the UNCTAD/ESCAP Joint Unit on Transnational Corporations, the Advisory Committee draws attention to its recommendation in paragraph V.9 above on the need to indicate, explain and justify all proposed redeployments of posts and non-staff resources between budget sections.

V.39. As indicated in table 17.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 70, a decrease of 8 extrabudgetary posts as compared with the total of 78 posts for the biennium 1996-1997.

V.40. The Committee was informed that the proposed programme of work was approved by the Commission at its fifty-third session, held from 23 to 30 April 1997 at Bangkok. At that session, the Commission also endorsed the recommendations of an intergovernmental meeting held in February 1997 which reviewed the conference structure of the Commission including its thematic priorities and subsidiary structure. The Commission decided to maintain a subsidiary structure of five committees, with minor reordering of programme areas. These include the Committee on Regional Economic Cooperation; the Committee on Socio-Economic Measures to Alleviate Poverty in Rural and Urban Areas; the Committee on Environment and Natural Resources Development; the Committee on Transport, Communications, Tourism and Infrastructure Development; and the Committee on Statistics. The Commission decided to further streamline its conference structure by reducing the duration of all committee meetings from five to three days. The Committee on Regional Economic Cooperation and the

Committee on Statistics will meet biennially. The Commission also decided to retain the special bodies for least developed, landlocked and island developing countries, which would continue to meet biennially for a maximum of two days immediately prior to the annual session of the Commission. The number of ad hoc intergovernmental meetings will be reduced from the current maximum of 15 meetings per year to 5, with the maximum number of meeting days reduced to 25 from the current 100.

V.41. Moreover, the Advisory Committee was informed that the ESCAP secretariat is in the process of preparing its recommendations concerning a revised programme structure, which would form the basis of a secretariat structure, and will report thereon to members of the Commission by the end of October 1997 through the Advisory Committee of Permanent Representatives, which meets monthly in Bangkok. ESCAP will endeavour to ensure that the secretariat structure is congruent with the programme structure. The recommendations of the Executive Secretary will be submitted to the Commission at its fifty-fourth session, in April 1998.

V.42. The Advisory Committee points out, in this connection, that the programme of work of ESCAP and the structure of its secretariat, as reflected in the proposed programme budget for the biennium 1998-1999, may change. The related programme budget implications should be submitted to the General Assembly for consideration. In the meantime, the Committee notes from paragraph 17.6 that the programme structure of ESCAP has been revised from 6 subprogrammes in the current biennium to 10 subprogrammes in the biennium 1998-1999, following the structure of the medium-term plan for the period 1998-2001.[10] The Committee points out that the titles of four subprogrammes (2, 4, 5 and 6) out of six subprogrammes of the current biennium have been retained without any changes for the next biennium, while current subprogrammes 1, Regional economic cooperation, and 3, Poverty alleviation through economic growth and social development, were each subdivided into three subprogrammes to make six new subprogrammes.

V.43. The Advisory Committee was informed, upon request, that the changes in the number of subprogrammes reflect a more sectoral approach to ensure that accountability and responsibility for the delivery of a programme, and for achieving the results intended, are clearly identified. The Committee recalls, in this connection, its observation in paragraph V.3 of its first report on the proposed programme budget for the biennium 1996-1997,[1] whereby, in the context of its review of the thematic approach to programme implementation, the Committee stressed the need to improve considerably the role of programme managers and their respective organizational units in programme implementation. The Committee welcomes the change towards a more sectoral approach, although, in the view of the Committee, the number of subprogrammes and organizational units of ESCAP needs to be streamlined.

V.44. Although the amount of resources for programme support is proposed to be decreased by $595,500 (see table 17.1), the Advisory Committee is concerned about what appears to be a relatively high share (51.2 per cent) of programme support in the overall regular budget resources of the Commission for 1998-1999. The Committee points out that the high ratio is due in part to the fact that the estimated cost of some substantive activities of ESCAP (see para. 17.102) is included under programme support. In this connection, the Committee draws attention to its recommendation in paragraph V.4 above on the need to review the format of presentation of programmes of activities of the regional commissions with a view to delineating more clearly substantive activities vis-à-vis programme support.

V.45. The Advisory Committee recalls its observation in paragraph V.29 of its first report on the proposed programme budget for the biennium 1996-1997[1] that the number of ESCAP publications is excessive, and notes, in this connection, the intention of the Commission to reduce during the biennium 1998-1999 the frequency of issuance of many recurrent publications (see para. 17.7). The Committee was informed, upon request, that the Commission's proposed programme of work for 1998-1999 provides for 193 publications (41 issuances), compared with 292 publications (45 issuances) for the current biennium. The proposed programme budget reflects a few savings associated with the reductions in ESCAP publications: $37,200 for editing of documentation (para. 17.14) and $3,700 for printing of publications (para. 17.38). The Committee welcomes the intention to reduce the number of publications, although, as can be seen, the reductions are not significant. The Committee was informed that the Commission had requested its Advisory Committee of Permanent Representatives to review the publications programme of ESCAP and report to the Commission thereon in 1998.

V.46. The Advisory Committee also notes from paragraph 17.7 of the proposed programme budget that the exchange and dissemination of information will increasingly be effected by ESCAP through electronic means rather than conventional publications in hard copy. The Committee was provided with information on this issue which indicated that the Commission intended to disseminate electronically during the next biennium 12 issuances pertaining to 7 subprogrammes (1, 4, 5, 6, 7, 8 and 9) out of 10. The Committee welcomes the intention to increase electronic dissemination of information. The Committee was provided with additional information which indicated that the number of page-units of internal reproduction of ESCAP publications for 1998-1999 would amount to 2,522,400, compared with 2,702,500 during the biennium 1994-1995. The Committee trusts that the next budget submission of ESCAP will reflect savings and other benefits resulting from electronic dissemination of information.

V.47. The Advisory Committee also notes from the report entitled "UN 21 - Accelerating managerial reform for results" (A/51/873) that two efficiency projects of ESCAP deal with electronic transfer of information; however, the report does not contain an indication of any savings to be achieved as a result of the implementation of the projects.

V.48. The Advisory Committee notes from paragraph 17.13 of the proposed programme budget that an increase of $85,300 is requested for the travel of conference-servicing staff from Geneva to service the Commission sessions and other meetings held under the auspices of ESCAP. The Committee was informed, upon enquiry, that since one English and one Russian translator post are being abolished, the increase is to cover the cost of travel of English and Russian translators from Geneva to Bangkok. The Committee points out, in this connection, that among the efficiency projects undertaken by ESCAP and referred to in document A/51/873 is a project on limited use of remote translation in the Language Services Section. The Committee welcomes the project and encourages the secretariat of ESCAP to expand the use of remote translation.

Section 18. Economic development in Europe

V.49. As indicated in table 18.1 of the proposed programme budget, the regular budget resources proposed for ECE amount to $49,310,800 and extrabudgetary resources are estimated at $10,165,500. The proposed regular budget resources reflect a growth of $2,269,100, or 4.7 per cent. As explained in paragraph 18.16, the growth represents mainly the combined effect of the application of new standardized vacancy rates, the transfer to this section of

ECE share of the payments to the International Computing Centre for the ation and maintenance of the mainframe and the proposed abolition of osts (4 in the Professional category and above and 12 General Service).

. As indicated in table 18.3, the proposed staffing table provides for a l of 195 regular budget posts (114 in the Professional category and above 81 General Service), reflecting a decrease of 16 posts compared with the nium 1996-1997, and a total of 9 extrabudgetary posts (7 Professional posts 9 General Service posts), reflecting a decrease of 5 posts compared with the nium 1996-1997. The Advisory Committee was informed that there were acancies in ECE as of 30 April 1997 (16 Professional posts and 11 General ice posts). The secretariat of ECE has currently one gratis expert (type I) ing with energy matters.

. As indicated in paragraphs 18.5 to 18.15, the Commission has undertaken n-depth review of its programme of work and intergovernmental structure. A lt of this review has been a streamlining and rationalization of the ramme of work and a reduction in the corresponding intergovernmental inery (from 14 to 7 principal subsidiary bodies). In addition, all cipal subsidiary bodies are requested to reduce the length of their ings, to rank their activities in order of priority and to define precise rammes of work for any new related bodies, with a time-frame and sunset ses. The seven principal subsidiary bodies are also requested to review r own subsidiary bodies with a view to limiting them to two categories: ing parties of a standing nature and ad hoc groups of experts which are blished for a two-year period with a precise programme of work. This may lt in further streamlining and reduction of meetings not reflected in the osed programme budget.

. The Advisory Committee sought clarification in respect of the number of ings of ECE intergovernmental bodies reflected in paragraph 18.20 of the osed programme budget. According to the clarification received, the ittee on Environmental Policy meets three days annually (12 meetings in the nium); in addition there will be a special session in March 1998 dealing the preparation for the Ministerial Conference of June 1998 and another in dealing with environmental performance reviews. Thus, the total number of ings is 24, as indicated, but not detailed, in paragraph 18.35.

. The reform of ECE envisages two mechanisms that will introduce more ibility in the Commission's methods of work. The first provides for the blishment of a Group of Experts on the Programme of Work which will meet y two years prior to the preparation of the programme budget submission to ide recommendations to the Commission on adjustments and shifts in the ECE ramme of work. The second involves the establishment in the secretariat of of a Coordinating Unit for Operational Activities, the role of which will be eal with issues and activities that, within the ECE mandate, respond to the s of only specific groups of countries. As indicated in paragraph 18.23, it roposed to include activities of the Unit under executive direction and gement because they do not relate to one specific subprogramme. The Unit coordinate or organize seminars and workshops in all sectors, but icularly in areas no longer covered by intergovernmental bodies (see . 18.10).

. The Advisory Committee recommends that the responsibilities and functions he Unit, as outlined in the proposed programme budget, should be defined clearly and steps should be taken to ensure that the activities of the Unit ot duplicate those of other organizational units of ECE.

V.55. The activities of the Commission in 1998-1999 are, as indicated in paragraph 18.11, in conformity with the overall objectives of the medium-term plan for the period 1998-2001.[10] However, the reform process has led to a strengthening, reorganizing, streamlining or reduction of activities under various subprogrammes. These programmatic changes will be reflected in the revisions to the medium-term plan for the period 1998-2001 to be submitted in 1998.

V.56. As can be seen from paragraphs 18.12 to 18.15, five subprogrammes (1, 2, 3, 4 and 7) have been strengthened, activities related to the subprogramme on economic analysis have been reorganized, three subprogrammes (6, 9 and 10) have been streamlined and refocused on a limited number of priority issues, and the subprogramme on industry and technology has been discontinued.

V.57. As can be seen from table 18.2, a growth of $215,100 in regular budget requirements is reflected under contractual services, of which an amount of $189,300 represents mainly a transfer of resources from general operating expenses, as explained in paragraphs 18.132 and 18.133. The balance of $25,800 relates to external production of various publications of ECE. The Advisory Committee was informed, upon inquiry, that the number of recurrent publications of ECE will be reduced for the biennium 1998-1999 from the current level of 101 to 80. In this connection, the Committee requests that ECE reduce the need for external production of its publications by using to the maximum extent possible internal reproduction facilities.

Section 19. Economic and social development in Latin America and the Caribbean

V.58. The estimate for section 18 of the proposed programme budget for the biennium 1998-1999 amounts to $90,245,500 in regular budget requirements and $15,920,100 in extrabudgetary resources. The proposal under the regular budget reflects a resource growth of $134,100, or 0.1 per cent, over the 1996-1997 appropriations. This growth represents the combined effect of the application of the new standardized vacancy rates, the delayed impact of the P-4 post established in the biennium 1996-1997, the redeployment to this section of 3 posts from UNCTAD and the proposed abolition of 44 posts. The level of extrabudgetary funding for the next biennium shows a decrease of $2,672,100, or 14.4 per cent, compared with the estimates for the current biennium.

V.59. As indicated in table 19.3, the proposed staffing table provides for a total of 491 regular budget posts (178 in the Professional category and above and 313 General Service), reflecting a net decrease of 41 posts compared with the biennium 1996-1997, and a total of 56 extrabudgetary posts (38 Professional and 18 General Service), reflecting a decrease of 6 posts compared with the biennium 1996-1997. It also provides for reclassification of two P-2 posts to the P-3 level in the Division of Administration. The proposed staffing table also reflects the redeployment to ECLAC of three posts from UNCTAD. A number of internal redeployments are also proposed between various offices of the Commission; the redeployments are due in part to a decrease in the number of subprogrammes. The Advisory Committee has no objection to the proposed staffing structure of ECLAC.

V.60. The Advisory Committee was informed that there were 71 vacancies in ECLAC as of 30 April 1997 (35 Professional posts and 36 General Service posts). The secretariat of ECLAC also currently has four gratis personnel (type I) and four interns.

V.61. As indicated in the overview to section 19, the Commission, by its resolution 553 (XXI) decided to establish an ad hoc working group to define priorities of the work programme and recommend to the Commission strategic directions for its future activities. The first meeting of the ad hoc working group took place at ECLAC headquarters from 29 to 31 July 1996 to examine the precise content of the work programme for 1998-1999 and its priorities. The second meeting of the ad hoc working group took place in New York on 5 June 1997. The Advisory Committee was informed by representatives of ECLAC that the ad hoc working group recommended that the activities of the Commission be classified as follows in terms of their relative priorities: 10 per cent - high priority; 75 per cent - medium priority; 10 per cent - low priority; and 5 per cent - lowest priority.

V.62. The table below illustrates the intergovernmental structure of ECLAC and frequency of meetings of its policy-making organs:

	Proposed 1996-1997	Actual 1996-1997	Proposed 1998-1999
Sessions of the Commission	1	1	1
Committee of the Whole	1	1	1
Committee of High-level Governmental Experts	2	0	2
Caribbean Development and Cooperation Committee	2	2	2
Urban Housing Committee	1	1	0
Committee on Central American Economic Cooperation	1	1	2
Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean	1	1	0
Presiding Officers of the Regional Conference on Women	4	2	3
Presiding officers of the Regional Council for Planning, Latin American and the Caribbean Institute for Economic and Social Planning	0	1	1
Total	13	10	12

V.63. The Committee of the Whole of ECLAC will continue to meet in New York, as in the past, and the Commission rotates the venue of its meetings among the member States of ECLAC. The Advisory Committee was informed that it was less expensive for the Commission to rent space for a few days of meeting rather than to build conference facilities of its own.

V.64. At its second meeting, the ad hoc working group considered an outline of a new pilot management project to decentralize authority in certain areas of human resources and budget management. The Advisory Committee notes from paragraph 4 of resolution 563 (PLEN.21) of 6 June 1996 of the Committee of the Whole of ECLAC that it supported the general thrust of the project "which will be developed and described in detail in order to be submitted for consideration and approval by member countries of the Commission before its implementation". The Committee on Programme and Coordination at its thirty-seventh session took note of the pilot project.

V.65. In the context of its consideration of the proposed programme budget for ECLAC for the biennium 1998-1999, the Advisory Committee also reviewed a note by the secretariat on the pilot management scheme.[38] The Committee welcomes the efforts by the Secretary-General to give programme supervisors greater authority and flexibility to mobilize the human and financial resources at their disposal so that functions may be carried out in the most efficient and effective manner, and in return to require a stricter accounting in terms of the content, volume and quality of outputs as well as overall performance. However, many provisions and ideas reflected in the document, require, in the view of the Committee, further clarification and explanation. For example, with regard to financial management initiatives, it is not clear as to what the parameters of increased flexibility in budgetary expenditures might be and what new authorities in budget implementation are being sought as compared with the existing ones. The idea of negotiating with donors appropriate levels of overhead charges on extrabudgetary contributions and introducing more customer-oriented audit and accounting procedures also opens a number of important questions which need to be answered, including what guidelines need to be in place to ensure that officials of the regional commissions are protected against pressure which may result in the Organization receiving inadequate compensation for its support to activities funded from extrabudgetary resources. It is also important to define precisely what is meant by customer-oriented audit and accounting procedures. Moreover, the project document does not specify which of the financial rules of the United Nations need to be revised and to what extent. With regard to the initiatives on human resources management, the project document does not indicate clearly the role and responsibilities of the Office of Human Resources Management vis-à-vis the secretariat of ECLAC, nor does it indicate whether the initiatives in human resources management were subject to discussions with staff representatives.

V.66. The Advisory Committee understands that, as provided for in paragraph 4 of resolution 563 (PLEN.21), the pilot project will be developed and described in detail for consideration and approval by member countries of the Commission before its implementation. Further, the Committee expects that the secretariat of the Commission will coordinate the development of the project with all parties affected by it, including the Office of Programme Planning, Budget and Accounts and the Office of Human Resources Management.

V.67. The work programme as approved by the Commission at its twenty-sixth session includes 11 subprogrammes, compared with 14 subprogrammes in the current biennium.

V.68. The table below provides information on the current subprogramme structure and the proposed structure for the biennium 1998-1999:

1996-1997 subprogramme	1998-1999 subprogramme	Comments
1. Food and agriculture	-	Activities and resources on food and agriculture are redeployed to subprogramme 3, Productive, technological and entrepreneurial development.
2. Economic development	4. Macroeconomic equilibria, investment and financing	
3. Economic and social planning	6. Administrative management	
4. Industrial, scientific and technological development	3. Productive, technological and entrepreneurial development	This subprogramme also includes activities and resources redeployed from the 1996-1997 subprogramme on food and agriculture.
5. International trade and development finance	1. Linkages with the global economy, competitiveness and production specialization	
6. Natural resources and energy		Activities and resources on natural resources and energy are redeployed to subprogramme 7, Environmental and land resource sustainability.
7. Environment and human settlements	7. Environment and land resource sustainability	This subprogramme includes also activities and resources redeployed from the 1996-1997 subprogramme, Natural resources and energy.
8. Population	8. Population and development	
9. Social development	5. Social development and social equity	
10. Statistics and economic projections	9. Statistics and economic projections	
11. Transport		Activities and resources on transport are redeployed to subprogramme 2, Integration, open regionalism and regional cooperation.

1996-1997 subprogramme	1998-1999 subprogramme	Comments
12. Subregional activities in Mexico and Central America	10. Subregional activities in Mexico and Central America	
13. Subregional activities in the Caribbean	11. Subregional activities in the Caribbean	
14. Regional integration and cooperation	2. Integration, open regionalism and regional cooperation	This subprogramme includes also activities and resources redeployed from the 1996-1997 subprogramme on transport.

V.69. The Advisory Committee was informed that no changes were being proposed in the organizational structure of the secretariat of the Commission for the biennium 1998-1999, although as a result of the changes in the lines of responsibilities for the implementation of the work programme of ECLAC, only 12 organizational units will report to the Executive Secretary of the Commission, compared to the current 19.

V.70. Table 19.2 provides details of the net regular budget resources growth of $134,100, which represents mainly a combined effect of increases under contractual services ($626,500), other staff costs ($584,200), consultants and experts ($314,600) and furniture and equipment ($127,400), largely offset by decreases under posts ($736,300), general operating expenses ($686,300) and supplies and materials ($99,100).

V.71. The Advisory Committee was informed, upon request, that the increase in requirements under other staff costs and consultants and experts is due mainly to a shift from using regular staff on established posts to using temporary personnel on short-term appointments, general temporary assistance, and outside consultants and ad hoc experts. This, in the view of the Commission, will allow greater flexibility to programme managers in implementing the work programme.

V.72. With regard to the increase of $625,100 under contractual services, the Advisory Committee notes from paragraph 19.135 that it relates mainly to the projected requirements for the publications programme, for data-processing services and the purchase of software and network services and for the provision of high-end photographic and information services. The Committee points, in this connection, to the efficiency projects being implemented in ECLAC which, according to the report on managerial reform (A/51/873), could result in savings estimated at approximately $1.9 million. The representatives of ECLAC were unable, however, to identify specific savings in the proposed programme budget for the biennium 1998-1999, as compared with "economies" to be achieved against future expenditure. The Committee is of the view that some of the efficiency projects undertaken by the Commission, including the implementation of more cost-effective technology and practices in document production and distribution, electronic dissemination of documents and publications and increased adoption of electronic technologies to increase efficiency in achieving the goals of the work programme, should considerably contribute to reducing requirements for contractual services, especially in respect of the publications programme.

V.73. The Advisory Committee notes that the publications programme of ECLAC is quite extensive and that the bulk of it consists of non-recurrent publications (over 200). The proposed programme budget does not provide information on the number of publications initiated by the secretariat at its own discretion. Furthermore, consultants are also engaged in producing specific case studies which contribute to additional publications arising from their work. In this connection, the Committee draws attention to its comments and recommendations in paragraph V.7 above. Moreover, the Committee is of the view that the number of publications of ECLAC appears excessive and should be reviewed.

V.74. With regard to the proposed activities such as coordination, cooperation and liaison, the Advisory Committee draws attention to its comments and recommendations in paragraph V.10 above and points also to the need to design a method by which the cost and means of implementing these activities could be presented in the estimates in a clear and concise manner.

Section 20. Economic and social development in Western Asia

V.75. The proposed programme budget for the biennium 1998-1999 under this section amounts to $49,704,800 under the regular budget and to $374,300 in extrabudgetary resources. The proposal under the regular budget reflects a resource growth of $538,000, or 1.5 per cent, over the 1996-1997 appropriations. This growth results mainly from the combined effect of (a) the redeployment to this section of the resources previously allocated to the UNCTAD/ESCWA Joint Unit on Transnational Corporations (1 P-5 and 1 Local level post and non-post resources); (b) the reclassification of 1 P-4 post to the P-5 level; (c) the application of new standardized vacancy rates; and (d) the proposed abolition of 3 posts in the Professional category and above (1 D-1, 1 P-4 and 1 P-2) and 26 Local level posts. The proposed amount of $49,704,800 under the regular budget also includes an estimated amount of $15,023,500 for recosting, the bulk of which ($14,255,800) is due to the difference in the standard salary and common staff costs between 1996-1997 Amman rates and 1998-1999 Beirut rates.

V.76. The level of estimated extrabudgetary funding for the biennium 1998-1999 shows a significant decrease of $2,147,200, or 85.1 per cent, compared with the estimates for the current biennium. The Advisory Committee was informed, upon inquiry, that no posts are proposed for extrabudgetary funding during the biennium 1998-1999. A clarification was provided in respect of an extrabudgetary P-5 post reflected in table 20.3 of the fascicle. This post is, in fact, for an individual provided gratis (type I).

V.77. The Committee was informed that the vacancy situation in ESCWA as of 30 June 1997 was as follows: 28 posts in the Professional category and above and 12 Local level posts and 3 Field Service posts.

V.78. The proposed staffing table of ESCWA for the biennium 1998-1999 provides for 103 posts in the Professional category and above, 160 Local level posts, 3 Field Service posts and 1 gratis personnel post. These numbers reflect the redeployment to ESCWA of two posts from UNCTAD, the abolition of 29 regular budget posts and a reduction of 40 extrabudgetary posts, compared with the biennium 1996-1997. The proposed staffing table reflects also the proposed reclassification of 1 P-4 post to the P-5 level in subprogramme 5, Development, coordination and harmonization of statistics and information, in view of the increased responsibilities of the post, which include formulation and supervision of the programme of work on national accounts, financial and price statistics. The Advisory Committee has no objection to the proposed staffing structure of ESCWA.

V.79. The programme of work of ESCWA for the biennium 1998-1999 comprises five subprogrammes and was formulated within a thematic framework of the medium-term plan for the period 1998-2001.[10] The programme of work is also based, as indicated in paragraph 20.5, on the assumption that ESCWA will be operating at its permanent headquarters at Beirut as of September 1997. The Advisory Committee recalls, in this connection, that in paragraph V.41 of its first report on the proposed programme budget for the biennium 1996-1997,[1] the Committee had noted the Secretary-General's statement that the cost of moving the ESCWA secretariat from Amman to Beirut would amount to $4.5 million. In the course of its consideration of the budget proposal for ESCWA for the biennium 1998-1999, the Committee was informed, however, that the cost of the move is being estimated now at approximately $5.5 million; efforts are being taken to raise additional voluntary contributions for the move. The Committee was also informed that, should the amount of extrabudgetary resources be insufficient to cover the full cost of the relocation, the shortfall would be met from the regular budget, within existing resources, and reported to the General Assembly in accordance with established budgetary procedures. This would be, in the view of the Secretary-General, in line with paragraph 5 (c) of Economic and Social Council resolution 1994/43 of 29 July 1994, by which the Secretary-General was requested to ensure that the transfer was financed within existing resources and primarily from extrabudgetary contributions and without prejudice to planned cost savings.

V.80. The Advisory Committee points out that, in its view, a disproportionate share of resources is budgeted for programme support. As can be seen from paragraph 20.8 of the fascicle, 47.3 per cent of regular budget resources would be required for programme support, while the share of the programme of work is 46.3 per cent. The Committee understands that this is due in part to the fact that the cost of such substantive activities as information services and management of technical cooperation is currently budgeted under programme support. In this connection, the Committee draws attention to its recommendation in paragraph V.4 above on the need to review the format of presentation of programmes of activities of the regional commissions with a view to delineating more clearly substantive activities vis-à-vis programme support.

V.81. The structure of the intergovernmental machinery of ESCWA is indicated in paragraph 20.10. The table below indicates the number of meetings to be held by the Commission and its subsidiary bodies during 1998-1999:

ESCWA meetings	Days of meetings 1998	Days of meetings 1999	Total number of meetings
Commission (twentieth ministerial session)	-	2	4
Technical Committee (eleventh session)	-	3	6
Committee on Energy (second session)	-	2	4
Committee on Water Resources (second and third sessions)	2	2	8
Committee on Social Development (second session)	-	3	6
Statistical Committee (third session)	-	3	6
Committee on Transport (first session)	-	3	6
Technical Committee on liberalization of foreign trade and economic globalization in the countries of the ESCWA region (first and second sessions)	3	3	12
Arab conference on follow-up to global conferences	-	3	6
Intergovernmental meeting on transport facilitation across borders through harmonization of norms, standards and related conventions	4	-	8
Total	9	24	66

Section 21. Regular programme of technical cooperation

V.82. The regular programme of technical cooperation complements, as indicated in paragraph 21.2 of the proposed programme budget, assistance available to developing countries under other programmes. The programme is divided into sectoral advisory services (implemented by 8 United Nations offices) and regional and subregional advisory services (implemented by 5 regional commissions). The three main types of technical cooperation activities are short-term advisory services, field projects and training.

V.83. The proposed budget for the biennium 1998-1999 under this section is estimated at $45,921,800, which reflects a resource growth of $6,644,000, or 17.7 per cent, over the 1996-1997 appropriations. The Advisory Committee notes from paragraphs 21.12 and 21.13 that the resource growth reflects an attempt to partially ameliorate the unsatisfactory situation resulting from the budgetary reductions in the amount of $7,438,800 applied to the initial 1996-1997 appropriation of $44,814,700. The breakdown of the proposed budget requirements by sectoral advisory services and regional and subregional advisory services is provided in tables 21.2 and 21.3.

V.84. The Advisory Committee transmits the estimates under section 21 to the General Assembly for appropriate action.

PART VI. HUMAN RIGHTS AND HUMANITARIAN AFFAIRS

VI.1. The Secretary-General's estimate for 1998-1999 for part VI, Human rights and humanitarian affairs, of the proposed programme budget for the biennium 1998-1999 amounts to $138,646,400, comprising $46,448,500 for section 22, Human rights; $50,568,700 for section 23, Protection of and assistance to refugees; $19,375,000 for section 24, Palestine refugees; and $22,254,200 for section 25, Humanitarian assistance.

Section 22. Human rights

VI.2. The Advisory Committee notes from paragraph 22.3 that the proposed programme budget for section 22 was prepared following a restructuring of the programme on human rights and a reorganization of the Centre for Human Rights. The Advisory Committee also notes that the programme will be implemented through a new management structure put in place in 1996. However, it is not clear to the Committee whether claims of greater efficiency can be substantiated, and it is also difficult to compare the estimates unit-by-unit with the 1996-1997 programme budget owing to the changes in the structure of the Secretariat. In this connection, the Committee recalls that the General Assembly, when adopting the medium-term plan for the period 1998-2001,[10] decided in its resolution 51/219 of 18 December 1996 to adopt programme 19, Human rights, without prejudice to consideration by the General Assembly of the ongoing process of restructuring the Centre for Human Rights.

VI.3. The Advisory Committee was provided with information on steps being taken to implement recommendations contained in the report of the Office of Internal Oversight Services of 26 April 1995 (A/49/892).

VI.4. The Advisory Committee notes from table 22.2 that for 1998-1999 the amount of $46,448,500 is proposed under the regular budget. This represents a decrease of $1,552,100 as compared to appropriations of $48,000,600 for 1996-1997. As indicated in the same table, for 1998-1999, the amount of $48,879,400 is expected under extrabudgetary resources. This represents an increase of $4,005,400 as compared to estimates of $44,874,000 for 1996-1997.

VI.5. With regard to extrabudgetary resources, it is the view of the Advisory Committee that steps should be taken to ensure that trust funds are audited more extensively, especially the large ones. It is the opinion of the Committee that there is also a need to streamline reporting to donors.

VI.6. As indicated in table 22.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 143, representing a decrease of 16 regular budget posts as compared with the total of 159 posts (142 established and 17 temporary) for the biennium 1996-1997. The total number of extrabudgetary posts proposed for the biennium 1998-1999 is 52, representing a decrease of 4 posts as compared with the total of 48 posts for the biennium 1996-1997. The Advisory Committee was informed that all of the 16 regular budget posts proposed to be decreased were vacant as of 1 May 1997. The Committee notes that the Secretary-General has proposed converting 14 temporary posts to established posts and making a reduction of 16 posts (11 Professional and 5 General Service), including 3 temporary posts (1 P-4, 1 P-3 and 1 General Service). However, the reasons for the reduction have not been explained; it is therefore not clear whether the reduction is only for the reason that the posts are vacant or whether the reduction can be justified substantively. The

Committee was also informed that the classification and job descriptions of all posts would be completed by the end of July 1997. The Committee welcomes the low ratio of Professional to General Service staff.

VI.7. The Advisory Committee was informed that the number of established posts for the Office of the United Nations High Commissioner for Human Rights has been increased from 13 for 1996-1997 to 15 for 1998-1999 (1 Under-Secretary-General, 1 Assistant Secretary-General, 4 P-5, 1 P-4 and 8 General Service). The Committee also notes that the increase is due to the expansion of the functions under executive direction and management. However, in the opinion of the Committee, care should be taken not to compromise the ability of the Office of the United Nations High Commissioner for Human Rights to provide leadership. The Committee recommends that steps be taken to avoid duplication of functions carried out in the field.

VI.8. With regard to subprogramme 1, Right to development, research and analysis, the Advisory Committee is of the opinion that the Secretary-General should have explained more clearly how the provisions of paragraphs 38 and 39 of General Assembly resolution 50/214 of 23 December 1995 are being implemented. In this connection, the Committee points out that in the report of the Secretary-General issued in response to paragraphs 38 and 39 of resolution 50/214, it is stated that an addendum to the report would be issued containing an analysis of resources distribution (A/C.5/50/71, para. 20). That addendum has not been compiled.

VI.9. In the opinion of the Advisory Committee, costs related to the activities of the High Commissioner and the Centre in peacekeeping operations need to be clearly identified in each case. It is also the view of the Committee that there is need to clarify the relationship of the Office of the High Commissioner and the Centre to the Department of Peacekeeping Operations, the Department of Political Affairs and other offices of the Secretariat involved in human rights activities so as to define more clearly the lead role of the High Commissioner and the Centre regarding human rights activities related to peacekeeping operations, special measures and human rights offices in the field. The Committee points out that currently there are six field offices: Abkhazia, Georgia; Burundi; Cambodia; Colombia; Rwanda; and the territory of the former Yugoslavia. The Committee calls for greater cooperation between the Department of Peacekeeping Operations and the Office of the High Commissioner in areas of mutual concern.

VI.10. With regard to the New York Liaison Office posts (1 D-1, 2 P-4, 1 P-3 and 3 General Service), the Advisory Committee recommends that, in view of the increasing use of technologies such as e-mail and facsimile transmission and in light of the budgetary constraints, the size of this Office be reviewed. The substantive support that is provided by this Office also should be taken into account (see chap. I, paras. 115 and 116).

VI.11. In connection with meetings and publications, the Advisory Committee points out that the provision of data on outputs related to meetings and publications would have been useful. Upon inquiry, the Committee was informed that for 1998-1999, the Secretary-General estimated a total of 1,488 meetings of the intergovernmental organs. The Committee points out that the human rights programme has given rise to a complex intergovernmental machinery. It is the view of the Committee that the time has come for the Commission to come up with a more pragmatic meeting programme for the various subcommissions, committees and other groups and that consideration should be given to holding some meetings every other year instead of annually.

VI.12. In connection with the number of reports to be issued in 1998-1999, the Advisory Committee was informed that the proposed programme budget is based on an estimate of 311 human rights reports, 52 for the General Assembly, 50 for both the General Assembly and the Commission, 2 for the Economic and Social Council, 109 for the Commission on Human Rights, 15 for the Subcommission on Prevention of Discrimination and 83 others. It is the view of the Committee that the number of documents involved and the setting of unrealistic deadlines for completion could adversely affect the efficiency of the legislative process. In this connection, the Committee was informed that with regard to reports prepared by Special Rapporteurs, it was impossible to apply guidelines relating to size and number of reports. Nevertheless, the Committee believes that there is need for review in this area, which should be carried out before the submission of the programme budget for the biennium 2000-2001.

VI.13. As regards the publication programme of the Centre, the Advisory Committee recalls paragraph VI.10 of its first report on the proposed programme budget for the biennium 1996-1997,[1] in which the Committee recommended that the Centre re-examine, as a matter of priority, its publications programme for the purpose of ensuring that all publications fulfil an identifiable need and are produced in a cost-effective manner. The Committee notes that this review has not been carried out.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in table 22.1 of the report, the financial consequences of the Secretary-General's actions and recommendations relating to section 22 would be a reduction of $1,023,900, from $47,162,600 to $46,138,700, and, as shown in table 22.2, there would be a reduction of two General Service posts.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 23. Protection of and assistance to refugees

VI.14. As indicated in paragraph 23.13, in accordance with article 20 of the statute of the Office of the United Nations High Commissioner for Refugees (UNHCR), no expenditure other than administrative expenditure relating to the functioning of the Office of the High Commissioner is borne by the budget of the United Nations and all other activities of the High Commissioner are financed by voluntary contributions. As indicated in table 23.2, the total number of regular posts proposed for the biennium 1998-1999 is 220 (89 Professional posts and 131 General Service), representing a decrease of 24 General Service posts from 244 posts for the biennium 1996-1997. Of the 24 General Service posts to be abolished, 16 are vacant. The Advisory Committee was informed that five Professional posts are also vacant.

VI.15. The Advisory Committee notes from paragraph 23.14 that the funding of UNHCR from the regular budget may be reviewed in the future to determine whether other budgetary arrangements such as a lump sum grant would be administratively more effective. It is the view of the Committee that in future, whatever arrangement is adopted, the regular budget should continue to fund conference servicing of the Executive Committee.

VI.16. In this connection, the Advisory Committee notes that contributions from the regular budget of the United Nations have decreased in recent years and now account for approximately 2 per cent of UNHCR resources. The regular budget contribution to UNHCR was reduced from $51,561,300 in 1994-1995 to $50,139,100 in 1996-1997 to cover 244 administrative support posts at UNHCR headquarters. The proposed contribution from the regular budget for 1998-1999 is $50,568,700 to cover the costs of 220 administrative support posts ($47,335,600), a provision for general temporary assistance ($2,008,600) and a partial contribution towards the rent and maintenance and other charges for the UNHCR headquarters building.[39]

VI.17. Upon enquiry, the Advisory Committee was informed during its consideration of the report on the overview of UNHCR activities financed from voluntary funds, 1996-1998,[40] that, in the context of implementation of General Assembly resolution 50/214, UNHCR was requested to make arrangements to save approximately $1.4 million in its regular budget posts. This was done by UNHCR by implementing a vacancy rate of 10 per cent, or 24 posts, in 1996-1997. The Committee was informed that as the functions of these posts could not be dispensed with, UNHCR funded the cost of the posts from its voluntary contributions. In the past, the Committee has discouraged the transfer of extrabudgetary posts to the regular budget unless the functions relate to activities that should be funded from the regular budget. In this instance, the Committee questions the rationale for transferring regular budget funding to extrabudgetary funding. Furthermore, such transfers appear more questionable now, when UNHCR is in the process of reducing posts, particularly at headquarters, owing to, inter alia, the steady decline of extrabudgetary resources.

Section 24. Palestine refugees

VI.18. The Advisory Committee recalls General Assembly resolution 3331 B (XXIX) of 17 December 1974, in which the General Assembly decided that the expenses for salaries of international staff in the service of the United Nations Relief and Works Agency for Palestine Refugees in the Near East which would otherwise be a charge on voluntary contributions should with effect from 1 January 1975 be financed by the regular budget of the United Nations for the duration of the Agency's mandate.

VI.19. The Advisory Committee notes from table 24.2 that for 1998-1999 the amount of $19,375,000 is proposed under the regular budget and the amount of $843,900,000 is expected under extrabudgetary resources.

VI.20. As indicated in table 24.3, the total number of regular budget posts for the biennium 1998-1999 is 84, representing a decrease of 8 (1 P-5, 1 P-4, 5 P-3 and 1 General Service) regular budget posts as compared with the total of 92 posts for the biennium 1996-1997. As indicated in table 24.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 60, representing a decrease of 19 extrabudgetary posts as compared with the total of 79 posts for the biennium 1996-1997. Of the eight regular budget posts proposed to be abolished, the Advisory Committee was informed that three posts were vacant as of 27 May 1997. The reduction in posts has not been explained in the programme budget, nor has the Committee been given sufficient information to relate the proposal to the requirements of the programme.

VI.21. In connection with extrabudgetary posts, the Advisory Committee recalls that for the biennium 1996-1997 it had recommended that a report be submitted to it on how the separation entitlements of staff who are paid from extrabudgetary resources are determined. The Committee points out that this report has not yet been submitted.

Section 25. Humanitarian assistance

VI.22. The Advisory Committee notes from paragraph 25.8 of the proposed programme budget that the distribution of the proposed resources reflects the reorganization of the Department of Humanitarian Affairs carried out on the basis of the findings of the management review undertaken in 1996. The Committee also notes that as a result of the reorganization four additional posts at the P-5 level are proposed to be established under the regular budget, to be offset by the abolition of four General Service posts.

VI.23. The Advisory Committee notes from table 25.1 that the extrabudgetary resources are estimated at $204,438,100 for 1998-1999 as compared to $190,189,300 for 1996-1997. The Committee was informed that an audit of trust funds was carried out in March 1997. Upon enquiry, the Advisory Committee was also informed that seven staff members (3 in New York and 4 in Geneva) are responsible for the management of the trust funds.

VI.24. As indicated in table 25.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 75, which is the same as the number of regular budget posts in 1996-1997. As indicated in table 25.3, the total number of extrabudgetary posts for the biennium 1998-1999 is 255, representing a decrease of 37 extrabudgetary posts as compared with the total of 292 posts for the biennium 1996-1997.

VI.25. The Advisory Committee is concerned with the lack of capacity to monitor and control trust funds. The Committee is also not satisfied with the information regarding a computerized information system on trust funds. In view of the workload involved in preparing the work plan for trust funds and the workload related to preparing reports to donors, the Committee believes that there is an urgent need to establish a computerized system to manage the large number of trust funds.

VI.26. With regard to rates charged to donors, the Advisory Committee was informed that the rate of 13 per cent was applied to all trust funds except for the support programme, where, owing to the fact that the transfer mechanism does not involve much additional work, the rates range between 3 to 13 per cent. In this connection, it is the view of the Committee that guidelines should be established and criteria set for funds that should be exempt and those which are to be charged the full rate.

VI.27. Information on gratis personnel is provided in footnote a to table 25.3. The Advisory Committee's views on gratis personnel have been indicated in its report on the subject (A/51/813). The Committee recalls the provision of General Assembly resolution 51/243 of 15 September 1997, by which the Assembly requested the Secretary-General to phase out expeditiously type II gratis personnel, as well as action 3 of the Secretary-General's measures and proposals for reform contained in his report on renewing the United Nations: a programme for reform (A/51/950), in which it is stated that a plan will be developed to phase out the use of gratis personnel in the Secretariat at the earliest possible date.

VI.28. With regard to the Lessons Learned Unit, the Advisory Committee was informed that this function is assigned two posts. In this connection, the Committee notes from table 25.3 that the Department has 57 personnel who serve as members of United Nations disaster assessment and coordination teams in the field to address disasters and humanitarian emergencies. The Committee was informed that these personnel have a stand-by status and are deployed on location as required.

VI.29. The Advisory Committee notes from paragraph 25.15 that as a result of the reorganization, two D-1 posts (1 in New York and 1 in Geneva) are to be redeployed from executive direction and management to the programme of activities.

VI.30. The Advisory Committee also notes from table 25.19 that the total number of posts for the Executive Office has been reduced from 31 to 26. However, no reasons have been given for the reduction.

VI.31. As indicated in paragraph 25.51, the Department will continue to maintain its responsibility for the Relief Logistics Centre at Pisa, Italy, which is currently funded entirely from extrabudgetary resources. The Advisory Committee was informed that this function was being reviewed and that the facility may be relocated. It is the view of the Committee that it might be desirable for the Department to move out of the management of this function and instead concentrate on the coordination of mobilization of resources and provision of information; the Secretary-General should explore with other agencies such as UNHCR and WFP the possibility of common use of this facility.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in table 25.1 of the report, the financial consequences of the Secretary-General's actions and recommendations relating to section 25 would be a reduction of $3,483,900, from $21,885,000 to $18,401,100, and, as shown in table 25.2 of the report, there would be a reduction of 25 posts (16 Professional and 9 General Service).

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Advisory Committee will therefore revert to consideration of document A/52/303 in due course.

PART VII. PUBLIC INFORMATION

Section 26. Public information

VII.1. The regular budget estimates for part VII, which covers only section 26, Public information, amount to $140,327,600 for the biennium 1998-1999. The estimates reflect a net negative resource growth of $2,497,800, or 1.8 per cent, compared with the 1996-1997 appropriations, and provide for the following changes in the staffing requirements: the abolition of 28 Professional posts, 24 General Service posts and 29 posts under other categories, and the redeployment of one P-4 post to section 8 of the regular budget. The proposed resources also reflect, as can be seen from table 26.2 of the proposed programme budget, reductions of $9,900 for travel, $287,000 for general operating expenses, $83,500 for hospitality, $261,500 for supplies and materials and $40,000 for grants and contributions, while increases are proposed under other staff costs ($469,500), contractual services ($736,800) and furniture and equipment ($659,900).

VII.2. As shown in table 26.1, extrabudgetary resources are estimated at $6,345,800, which reflects an increase over $5,747,600 estimated for 1996-1997. The Advisory Committee notes from the table that no estimates are given in respect of extrabudgetary resources to be made available for services in support of extrabudgetary substantive activities; those had been estimated at $6.3 million for 1998-1999.

VII.3. The Advisory Committee points out that the amounts of $140,327,600 requested under the regular budget and $6,345,800 estimated under extrabudgetary resources do not represent the total resources allocated to public information activities of the entire Organization. The Committee was informed, upon inquiry, that, in addition, regular budget resources estimated at $6,008,100 have been requested for public information activities under other sections of the proposed programme budget for the biennium 1998-1999, as follows:

		Number of posts		Total costs (Thousands of United States dollars)
	Section	Professional	General Service	
7.	Policy coordination and sustainable development	3	3	1 048.7
8.	Africa: New Agenda for Development	3	-	1 422.1
17.	Economic and social development in Asia and the Pacific	4	14	2 374.3
19	Economic and social development in Latin America and the Caribbean	1	3	1 003.8
20.	Economic and social development in Western Asia	-	2	159.2
	Total	11	22	6 008.1

VII.4. The Advisory Committee points out, in this connection, that substantive departments and offices of the Secretariat also perform public information

activities, the cost of which cannot be easily identified. Such activities take the form of preparing for and conducting exhibitions, special events, seminars and workshops and issuing various public information materials, such as booklets, journals, magazines and leaflets, and the presentation of websites and pages on the Internet.

VII.5. The Advisory Committee is of the view that the effectiveness of the Secretariat in public information could be considerably greater if the Department of Public Information were assigned additional coordination responsibilities. The Committee recommends, therefore, that the Secretary-General conduct a review of ways in which the public information requirements of the various departments could be coordinated under the umbrella of the Department of Public Information, including the redeployment to it, when economically feasible, of resources related to public information activities that are currently budgeted under other budget sections. The Committee recommends that this issue be examined by the Secretary-General in the context of implementation of such recommendations of the Task Force on the Reorientation of United Nations Public Information Activities as may be approved (see para. VII.7 below).

VII.6. In the course of its review, the Advisory Committee took note of efficiency projects being implemented by the Department of Public Information, as reflected in document A/51/873. One of the two efficiency projects resulting in savings ($600,000) identified in the report relates to the continued integration of United Nations information centres with UNDP field offices. Upon inquiry, the Committee was informed that the estimated savings and efficiency gains resulted from the use of information technologies, whereby about 20 United Nations information centres, including 9 that are integrated and/or headed by a UNDP resident representative, currently benefit from sharing UNDP communications facilities. Such cooperation includes the provision of e-mail or access to the Internet by means of a UNDP link. Some information centres also share local area network (LAN) environments with UNDP and receive LAN maintenance services provided by UNDP.

VII.7. The Advisory Committee was also cognizant of the report of the Secretary-General entitled "Renewing the United Nations: a programme for reform" (A/51/950). As indicated in paragraphs 251 and 252 of the report, the Task Force on the Reorientation of United Nations Public Information Activities was set up by the Secretary-General pursuant to his report of 17 March 1997 (A/51/829). The Task Force has submitted its report to the Secretary-General. The Committee was informed that the Secretary-General was currently reviewing the conclusions and recommendations of the Task Force and would submit his report on the issue for consideration by the General Assembly at its fifty-second session.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in paragraphs 26.2 and 26.4 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 26 would be a reclassification of 1 Assistant Secretary-General post to the Under-Secretary-General level and an abolition of 62 posts (1 P-4, 10 General Service and 51 local level). This would entail a reduction of $1,318,600, from $140,327,600 to $139,009,000.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

VIII.1. Part VIII of the proposed programme budget for the biennium 1998-1999 covers section 27, Administrative services, estimated at $876,031,800 before recosting and $904,192,900 at 1998-1999 prices, or 35 per cent of the proposed budget for 1998-1999. As indicated in table 27.1 of the proposed programme budget, the estimated requirements represent a resource reduction of 6.6 per cent. In addition to the regular budget estimates, extrabudgetary resources for section 27 are estimated at $86,416,500. Table 27.1 provides a distribution of the regular budget estimates among sections 27A to 27H and a breakdown of extrabudgetary resources by source of funding.

VIII.2. As indicated in table 27.3 of the proposed programme budget, the total number of posts, including 537 posts funded from extrabudgetary resources is 3,884. The total number of established posts funded under the regular budget is 3,347 as compared to 3,925 in 1996-1997. This represents a net reduction of 578 posts, of which 131 are in the Professional category and above, 402 in the General Service category and 45 in other categories. For extrabudgetary posts, the net reduction is 4, from 541 to 537.

VIII.3. The Advisory Committee notes from paragraph 139 of the introduction to the proposed programme budget that the Department of Administration and Management would be renamed the Department of Management. However, the Advisory Committee notes from paragraph 27A.1 of the proposed programme budget that the Department continues to be referred to as the Department of Administration and Management to be in charge of the "re-orientation and transformation of the management of the United Nations". To this end, clear lines of responsibility and accountability would be established and a series of management improvements would be introduced. The Advisory Committee also notes from paragraph 27A.1 that the focus would be on three areas of management activity: financial resources; human resources and support operations. Strategic planning and performance monitoring functions would also be strengthened.

VIII.4. The Advisory Committee's review of this section of the proposed programme budget to verify how the above goals are to be achieved and the resource implications was affected by a number of serious constraints. Information on a number of proposals intended to streamline and reorient management of the Secretariat was not available. For example, comprehensive information concerning three pilot projects (in ECLAC, the United Nations Office at Vienna and Conference Services) was not available. Also not available were details concerning the proposal to reduce administrative costs from 38 per cent to 25 per cent (see A/51/873), or an analysis of the impact on the Department of Management of the establishment of a new Department of General Assembly and Conference Services Affairs. The Advisory Committee is also of the view that the lack of an integrated information technology strategy constitutes a major constraint. The Committee notes from paragraph 154 of the report of the Secretary-General on the work of the Organization[41] that "a strategic plan for technology has been devised and put in place, and great strides have been made in updating existing infrastructure". The proposed programme budget and the testimony from the representatives of the Secretary-General, however, did not bear this out (see also paras. VIII.93 and VIII.94 below).

VIII.5. Proposals on management improvement and the role of such bodies as the Management Reform Group (para. 27A.2) vis-à-vis the functions to be performed by other units of the Secretariat were also not clear from the budget submission, nor from the testimony of the representatives of the Secretary-General.

VIII.6. The Advisory Committee discussed with the Under-Secretary-General for Administration and Management and other representatives of the Secretary-General the three pilot projects being initiated in New York, Vienna and Santiago, mentioned in the report entitled "UN21 - Accelerating managerial reform for results" (A/51/873) but for which no information had been provided in the proposed programme budget.

VIII.7. The Under-Secretary-General informed the Advisory Committee that with the ECLAC project in Santiago the main objectives were, inter alia, to test the concept of "output" (results-based) budgeting, to give greater flexibility to programme managers and to introduce the procedure of reinvesting income from sales of publications and other such material for greater productivity. He indicated that this would be a complex exercise requiring the development of definitions of outputs for discussion and approval by Member States. As indicated in the narrative following table 14 of the report "the Commission has agreed to develop performance measures to better measure its success, to enhance accountability for delivery of programme outputs and to enhance progress on gender balance and other organizational concerns in exchange for getting greater flexibility from Headquarters. In turn, the Executive Secretary will assign greater accountability and delegation within the Commission". In this connection, the Advisory Committee notes that the Committee of the Whole of ECLAC, in its resolution 563 (PLEN.21), states that, while it supports the general thrust of the management pilot scheme, it expects that the scheme would be developed and described in detail in order to be submitted for consideration and approval by member countries of the Commission before its implementation.

VIII.8. The pilot project at Headquarters in Conference Services, would test how greater flexibility in financial and human resources management could facilitate greater responsiveness and ability to meet demands at short notice. The pilot project in Vienna would test extending the use of charge-backs for common services, the feasibility of moving to true-cost budgeting and more extensive delegation of authority than is currently in place. From responses of the representatives of the Secretary-General, the Advisory Committee understands that the framework for the pilot projects in Conference Services and the United Nations Office at Vienna have not yet been finalized. The Committee was informed that further work on the proposals was on hold pending the establishment of the new Department of General Assembly Affairs and Conference Services and the assumption of duties of the new Director-General for Vienna.

VIII.9. In principle, the Advisory Committee does not object to the concept of pilot projects. However, while the Committee welcomes measures to streamline United Nations operations, to enhance performance and to increase productivity, efficiency and accountability, it is of the opinion that to achieve these goals, there must be transparency and clarity in the measures taken. In the opinion of the Committee, and based on information given during testimony, there are a number of issues that require full examination and clarification.

VIII.10. The Advisory Committee is of the opinion that, if the proposed measures are to succeed, relevant intergovernmental bodies must be fully involved in those proposed changes which would affect existing regulations and procedures, and the changes would have to be implemented over a period of time. There is also a need for intra-Secretariat coordination so as to arrive at a definition of objectives and the formulation of clear procedures to be followed during and after the implementation of the pilot projects. Since the pilot projects referred to above involve elements that would affect existing regulations and procedures, their implementation should take fully into account the requirements of General Assembly resolution 51/221 of 18 December 1996.

VIII.11. With regard to projects that may affect existing regulations and procedures, the Advisory Committee recommends that these be carefully studied, drafted and submitted in a fully transparent manner, as a report of the Secretary-General to the competent bodies, such as the regional commission concerned or the Economic and Social Council, and then to the General Assembly through the Advisory Committee. Such a report should contain a clear presentation of the practical modus operandi envisaged, together with the appropriate explanations and justifications on the various related benefits, disadvantages and costs to be expected, as well as precise duration foreseen for its preparation, implementation, evaluation and reporting phases.

VIII.12. With regard specifically to the concept of "charge back", from the information provided, the Advisory Committee was not able to obtain a clear definition of what is meant. On the one hand, it might be envisaged that resources for conference services would be allocated to the users, with the option available to the users to obtain services from either the Office of Conference Services or from outside. In the opinion of the Committee, the effect of such a development on uniform standards and economies of scale in the administration and management of conferences services needs to be evaluated. On the other hand, the "charge back" concept could be limited to a mere indication of what could be apportioned to users. The Committee points out that this is similar to the concept of apportioned costs. The United Nations attempted to conduct such an exercise starting with the proposed programme budget for 1974-1975, but it was eventually discontinued in the proposed programme budget for 1986-1987. A decision to resurrect this exercise should take into account past experience.

VIII.13. In any case, the Advisory Committee firmly believes that for the procedure of "charge back" to work properly, a computer-based system of cost accounting needs to be in place before such concepts are introduced. The Committee has commented further on budgeting concepts in chapter I of the present report, where it presents recommendations on how to proceed in this area.

VIII.14. The Advisory Committee notes the Secretary-General's statement in document A/51/829 that he has directed that a plan be prepared for presentation to Member States for a reduction of at least one third in the proportion of resources devoted to administration and other non-programme costs in the regular budget to be achieved by the year 2001 and that he would make every attempt to go further. As indicated in document A/51/873, a key goal of the Secretary-General, as part of the overall programme of reform in the United Nations, is to reduce the non-programme costs of the Organization from 38 per cent of its budget to no more than 25 per cent by the year 2001, streamlining administration and suggesting ways in which resources would be reallocated to economic and social programmes. From the narrative following table 5 in document A/51/873, the Advisory Committee notes that the plan to streamline administration would include "a thorough review of all non-programme-related costs, irrespective of budget section, and suggestions to intergovernmental bodies for their decision concerning reallocation of resources to economic and social programmes".

VIII.15. The Advisory Committee exchanged views on this subject with the Under-Secretary-General for Administration and Management. The Committee was informed that an analysis had been undertaken to determine that 38 per cent of the Organization's expenditure was directed to non-programme costs; however, the task force assigned to undertake this review had not yet finalized its report. The Committee was informed that there were seven elements included in this calculation, as indicated on page 26 of document A/51/873.

VIII.16. The Under-Secretary-General confirmed the Secretary-General's intention to reduce non-programme costs of the budget from 38 per cent to 25 per cent and that by the year 2001 it was envisaged that $274 million would be available for an Economic and Social Account for transfer to economic and social activities. The Advisory Committee notes that this intention was reiterated several times in document A/51/873 and that the Secretary-General, subsequently stated that the efficiency dividend would be "at least $200 million for the biennium beginning 2002" (A/51/950, para. 234).

VIII.17. The recommendations of the Advisory Committee on the procedure to be followed concerning proposals to reduce administrative costs from 38 per cent to 25 per cent are contained in chapter I of the present report. In the meantime, the Advisory Committee trusts that all resources appropriated will continue to be allotted fully to programme managers in accordance with existing practice. Further, the Committee recalls the provision of General Assembly resolution 51/221 B (para. 21), by which it decided that no changes to the budget methodology, established budgetary procedures and practices or the financial regulations could be implemented without prior review and approval of the General Assembly, through the Advisory Committee, in accordance with budgetary procedures. The recommendations of the Committee on how to proceed with proposals on methodological innovation are contained in chapter I.

Section 27A. Office of the Under-Secretary-General for Administration and Management

VIII.18. The Secretary-General's estimate of $11,678,700 before recosting for section 27A of the proposed programme budget includes a resource reduction of $1,017,200, or 8 per cent, against the revised 1996-1997 estimate of $12,695,900. The reduction is reflected primarily in the programme of work and programme support. The Advisory Committee requested, but was not provided with, a breakdown of the factors contributing to the reduction.

VIII.19. Extrabudgetary resources as shown in table 27A.1 amount to $15,277,700. In this connection, the Advisory Committee was informed that the amount of $1,185,700 indicated for peacekeeping operations would be revised downward to reflect a lower amount approved for the support account as of 1 July 1997.

VIII.20. As indicated in table 27A.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 70, representing a decrease of 9 regular budget posts as compared with the total of 79 posts for the biennium 1996-1997. Of the nine posts proposed to be reduced, one post would be redeployed to section 28, Internal oversight. As indicated in table 27A.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 16. The Advisory Committee notes from the footnote to the table that in addition, one gratis staff member on a non-reimbursable loan at the D-2 level had been contributed for the biennium 1996-1997. Of the eight regular posts proposed to be abolished, the Committee was informed that five were vacant as at July 1997.

VIII.21. The Advisory Committee notes from paragraph 27A.16 that the general temporary assistance requirement of $98,000 would provide for assistance in the processing of cases for the Joint Appeals Board in order to avoid the build-up of a backlog of cases. On further enquiry, the Committee was informed that the backlog related to duty stations other than New York. The Committee enquired about the reasons for the backlog and the measures taken to address it but did not receive any response in that connection.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 27A.1 and 27A.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 27A would be a decrease of 13 posts (3 Professional and 10 General Service) and a decrease of $387,800 from $11,678,700 to $11,290,900.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 27B. Office of Programme Planning, Budget and Accounts

VIII.22. As shown in table 27B.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27B for 1998-1999 amounts to $19,425,200 before recosting, a decrease of $730,900 against the 1996-1997 appropriations. This signifies a negative resource growth of 3.6 per cent.

VIII.23. As shown in table 27B.1, the extrabudgetary resources for the biennium 1998-1999 are estimated at $19,641,700. Thus, the total estimated resources and requirements for the biennium 1998-1999 are indicated at $40,195,100.

VIII.24. As indicated in table 27B.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 112, representing a decrease of 13 regular budget posts as compared with the total of 125 posts for the biennium 1996-1997. Of the 13 regular budget posts proposed to be abolished, the Advisory Committee was informed that 8 posts were vacant as at July 1997. However, as indicated in paragraph 27B.17, one General Service (Other level) post would only be discontinued beginning in 1999 (see chap. I).

VIII.25. The reduction of 13 posts relates to reduction of 1 post in executive direction and management (see table 27B.5), 10 posts in financial accounting and reporting (see table 27B.7) and 2 posts in programme planning and budgeting (see table 27B.9). The Advisory Committee notes from paragraph 27B.17, that of the 10 posts proposed for reduction in the financial accounting and reporting area, 5 relate to the "self-financing" of the functions of the Income Tax Unit under the Tax Equalization Fund. However, for purposes of transparency, the Committee recommends that posts funded under tax equalization should appear on the staffing table as extrabudgetary.

VIII.26. The Advisory Committee questions the wisdom of reductions in posts in view of the heavy workload and pressure on the Office of the Controller and other sections to meet the deadlines for delivery of reports and other information requested. Furthermore, such abolition and transfers are proposed at a time when systems such as IMIS and the new budget systems are either not functioning fully or have not yet come on line. The Committee trusts that the Under-Secretary-General and the Controller will review the situation.

VIII.27. The Advisory Committee notes that resources for 1998-1999 are proposed for the local area network (LAN) infrastructure and maintenance for support of e-mail, UNIX and the Integrated Management Information System (IMIS). These include $66,400 in executive direction and management, as indicated in paragraph 27B.12 of the proposed programme budget, $222,700 for financial accounting and reporting, as indicated in paragraph 27B.21, and $141,100 for programme planning and budgeting, as shown in paragraph 27B.28. The Committee notes that amounts are included under each section for the LAN mainframe. The Committee was informed that currently there is no well-developed formula for the determination of the amount that each office should contribute to LAN infrastructure maintenance. The Committee recommends that criteria be developed for determination of the LAN infrastructure requirements and costs.

VIII.28. The Advisory Committee notes from paragraph 27B.18 that an amount of $402,300 is proposed for general temporary assistance during 1998-1999 for periods of peak workload as well as support for the implementation of IMIS Release 4. Paragraph 27B.27 indicates a provision of $603,000 for contractual data-processing services to enhance the capacity of the current budget information system and increase necessary interfaces with IMIS. The Committee was informed that this was mainly to convert data to make it compatible for entry into IMIS. The Committee points out that it was not possible for it to have an overall picture of such expenditures included in other sections of the budget. However, it is the view of the Committee that unless these problems are eliminated, the operation of IMIS will involve a great deal of expenditure over and above what is required for normal maintenance of hardware and software. (For further comments on IMIS, see paras. VIII.75-VIII.113 below.)

VIII.29. The Advisory Committee points out that the interim financial statements ending 31 December 1996 were not available to it at the time of its consideration of the proposed programme budget. The Advisory Committee was informed by the representatives of the Secretary-General of the difficulty faced in 1996 by the Programme Planning and Budget Division owing to the workload generated by the demands placed on it under General Assembly resolutions 50/214 and 50/215, both of 23 December 1995. The Committee was also informed of the continuing difficulties related to implementation of IMIS owing to lack of interaction between the old budget system and the new IMIS system. This was observed in particular in the case of peacekeeping operations and regular budget activities. The field missions of the Field Administration and Logistics Division of the Department of Peacekeeping Operations were using data entry from the old system codes, which then had to be converted using bridges for processing by IMIS.

VIII.30. The Advisory Committee recommends that a review be made of the structure and timing of the financial statements and schedules. The interim financial statements should be available to the Committee by the time it begins consideration of the Secretary-General's proposed programme budget. This is currently not the case. The Committee recommends that the financial statements be simplified and made user-friendly; the review should include the possibility of a reduction in the number of schedules. The Committee is also of the view that the interim financial statements for the current biennium should be available in the first quarter of the budget year of the coming biennium.

Section 27C. Office of Human Resources Management

VIII.31. The Secretary-General's estimate for section 27C amounts to $43,090,300 before recosting and includes a resource growth of $2,308,200 before recosting, i.e. 5.6 per cent over the 1996-1997 appropriations. As indicated in table 27C.1, extrabudgetary resources foreseen for this section in 1997-1998 total $4,234,800.

VIII.32. As indicated in table 27C.3 of the proposed programme budget, the total number of regular budget posts proposed for the biennium 1998-1999 is 165, representing a decrease of 17 regular budget posts as compared with the total of 182 posts for the biennium 1996-1997. This reduced number (6 in the Professional category and 11 in the General Service category) together with the reduction in extrabudgetary posts, represents a 9 per cent decrease in posts as compared to the 1996-1997 level. However, the Advisory Committee notes from paragraph 27C.38 of the proposed programme budget that the abolition of two P-3, one P-2 and three General Service (Other level) regular budget posts is proposed effective 1 January 1999 and not at the start of the biennium. Of the remaining regular budget posts proposed to be abolished, the Committee was informed that 12 posts were vacant as at July 1997.

VIII.33. As indicated in table 27C.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 24, representing a decrease of 4 extrabudgetary posts as compared with the total of 28 posts for the biennium 1996-1997. The Advisory Committee notes that the P-3 post indicated in footnote b to the table to be financed from the support account for peacekeeping operations was not approved by the General Assembly and therefore the total number of posts to be financed from extrabudgetary resources would be 24 posts as compared with 28 posts during the biennium 1996-1997. The Committee was informed that the reduction of at least two of the extrabudgetary posts was due to reduced financing from technical cooperation reimbursement resources. In this connection, the Committee draws attention to its comments above that there is a need to ensure that extrabudgetary resources are charged a fair share of the cost related to the administration and management of these funds.

VIII.34. The Advisory Committee, noting the reduction of resources for the examination and test capacities, doubts whether they are consistent with recruitment needs and policy for the near future. The demographic situation of the Organization, with more than 6,000 retirements within the next 10 years (see A/51/873, table 17) and the policy goal of the Secretary-General to increase geographical and gender distribution within the Secretariat by 1999 (see A/51/950, action 18) seems rather to require a strengthening of these capacities.

VIII.35. With regard to the presentation of section 27C, the Advisory Committee is of the view that the narrative portions are unnecessarily lengthy and verbose. The Committee recommends that in future this section should be more focused, stating clearly the services to be provided by the Office of Human Resources Management and the approach to be taken to provide these services efficiently.

VIII.36. With regard to the structure of the Office of Human Resources Management, the Advisory Committee recalls its comments in paragraph VIII.15 of its first report on the proposed programme budget for the biennium 1996-1997.[1] The Committee had expressed the hope that the concept of clusters/teams introduced at that time by the Secretary-General, would be further developed and refined to eliminate a potential duplication of activities and to ensure maximum efficiency in the utilization of the Organization's resources, since the role of the clusters/teams and their interaction and functional responsibilities, as well as lines of reporting, had not been clearly defined.

VIII.37. The Advisory Committee notes the structural changes proposed for the Office as indicated in paragraph 27C.3 of the proposed programme budget. In addition to the functions to be carried out in the immediate Office of the Assistant Secretary-General for Human Resources Management, the Committee notes that other functions would be divided among the Operational Services Division, the Specialist Services Division and the Medical Services Division.

VIII.38. The Advisory Committee notes from paragraph 27C.3 (ii) that within the Operational Services Division, through the addition of human resources planning and management information services and recruitment functions, the clusters have been designed to provide the full range of human resources management to departments and offices. The Committee notes that "clusters and staffing support work with programme managers from the planning through the recruitment, placement, promotion and separation stages resulted in increased delegation of process administration (benefits and allowances) from the Office of Human Resources Management to executive offices and divisions/services of administration and offices away from Headquarters". This would permit increased cluster support in priority human resources management areas such as mobility and career development.

VIII.39. The Advisory Committee notes the services proposed to be provided by the clusters, as indicated in paragraph 27C.37 2 (a) to (f). The Committee requested information on the procedures in place to ensure consistent provision of services to "clients" with more or less identical demands so that there would be no duplication. From the information in the proposed programme budget, it was not possible for the Committee to ascertain the extent to which the Secretariat has addressed its concerns.

VIII.40. As indicated in paragraph 27C.32 of the proposed programme budget, the Advisory Committee notes that "for those departments and offices that hold delegated authority, direct responsibility and accountability with respect to certain human resources management and staff/benefits administration functions, the clusters will provide policy guidance, oversight, monitoring and audit services with a view to ensuring that human resources management policies and rules are applied accurately, consistently and transparently in accordance with General Assembly mandates and guidelines". The Committee also notes the additional information with regard to delegation of authority in paragraphs 27C.32 to 27.36. The Committee requested additional information on the type of authority that is proposed to be delegated, the means by which monitoring of implementation is carried out and the units affected thus far.

VIII.41. The Advisory Committee was informed that the Office of Human Resources Management had delegated to other departments and offices, such as the Field Administration and Logistics Administration of the Department of Peacekeeping Operations, the United Nations Office at Geneva, and the United Nations Office at Vienna certain functions hitherto performed centrally. The Committee was further informed that "authority, responsibility and accountability" would be spelled out in a "contract" between the Under-Secretary-General for Management or the Assistant Secretary-General for Human Resources Management and the recipient of the delegated authority. Contracts would be tailored to each delegation arrangement, reflecting the current and future absorptive capacity of the recipient of the authority to accept the responsibility and workload involved. The Committee was informed that the Office of Internal Oversight Services is evaluating current delegations of authority and will report thereon to the General Assembly.

VIII.42. In this connection, the Advisory Committee emphasizes that for orderly and efficient functioning and for managers to be held accountable for actions under delegated authority, it is absolutely essential to ensure that what is being delegated is clearly spelled out in writing. Each programme manager must be informed in clear language free of vague and ambiguous terminology. It is also essential to ensure that capacity exists in terms of staff resources to carry out the delegated authority. Finally, the monitoring of implementation of delegated authority should be streamlined so as to avoid excessive reporting and other costly bureaucratic processes.

VIII.43. The Advisory Committee had commented extensively on the performance appraisal system in its first report on the proposed programme budget for the biennium 1996-1997,[1] including the estimated costs associated with the introduction of the system. The Committee is of the view that there is a need to link the performance appraisal system exercise with career development of staff within the Organization. Further comments based on recent developments are contained in chapter I.

VIII.44. The Advisory Committee notes from table 27C.13 of the proposed programme budget that an amount of $2,680,900 before recosting has been estimated for the provision of medical services and that extrabudgetary resources have been estimated at $2,244,800. The Committee was informed that while the extrabudgetary resources received from UNDP/UNFPA and UNICEF cover the costs of 10 of the 14 posts, they do not cover the cost of medical supplies. The Committee recommends that consultations be held between the United Nations and these funds and programmes with a view to reaching agreement on appropriate rates for reimbursing the United Nations Secretariat for the cost of medical supplies.

VIII.45. The Advisory Committee notes from table 27C.14 of the budget submission that the total number of posts in the Medical Services Division to be financed from regular budget resources is shown as 14, a decrease of 8 posts from the total of 22 in the biennium 1996-1997. As indicated in paragraph 27C.79, of the eight posts, one at the P-3 level and one General Service (Other level) have been abolished, while the other six have been redeployed to other areas of the Department. As explained in paragraph 27C.79, the decrease is the result of the following: outward redeployment of one P-4 and two General Service (one at the Principal level) posts associated with the Staff Counsellor's functions to the Specialist Services Division; outward redeployment of two General Service (Other level) posts associated with the Staff Activities and Housing Unit to the Office of the Assistant Secretary-General; and outward redeployment of one General Service (Other level) post, which carries out functions associated with the Board of Trustees of the United Nations International School to the Office of the Assistant Secretary-General.

VIII.46. The Advisory Committee notes from paragraph 27C.71 that the Medical Services Division is responsible for the health, medical care and welfare of all staff members of the United Nations worldwide, including peacekeeping missions, UNDP/UNFPA and UNICEF. In addition, the Division plays a lead role in system-wide coordination of medical policies and implementation of staff benefits programmes such as the pension fund and medical insurance programmes. The Committee notes from paragraph 27C.78 that technical support will continue to be provided during the biennium 1998-1999 to 50 United Nations field dispensaries, all clinics of the regional commissions and military staff units at the peacekeeping missions. The Committee was informed that the cost of the support is shared with the agencies. In this connection, the Committee reiterates that the adequacy of rates being charged against extrabudgetary resources, including, in this case, medical supplies, should be re-examined. The Committee was informed that the cost of travel by the medical staff is paid for by the agency on whose behalf the travel is undertaken.

VIII.47. The Advisory Committee regrets the lack of uniformity in the presentation of the estimates for medical services in the proposed programme budget. While these estimates appear as a subprogramme under section 27C in New York, they have been identified under grants and contributions in sections 27F, Administration, Geneva, and 27G, Administration, Vienna, of the proposed programme, and in section 16, Economic and social development in Africa, these are shown under extrabudgetary resources, although the Service is run by the United Nations. The Committee recommends that this be reviewed and a consistent treatment be adopted and reflected in the next proposed programme budget.

VIII.48. The Advisory Committee notes from table 27C.12 that an amount of $13,609,300 before recosting has been proposed for contractual services for training and staff development programmes. The Committee recalls that, in connection with the question of contracting out for selected technical functions as one of the components of the new strategy for the management of human resources of the Organization, it had pointed out, in its first report on the proposed programme budget for the biennium 1996-1997, that the budget submission did not include the scope or criteria for contracting out for selected technical functions and had requested information to clarify the type of technical functions that would be contracted out.[42]

VIII.49. As indicated in table 27C.12, the amount of $13,609,300 represents a resource growth of $3,466,500, denoting an increase of approximately 30 per cent over the resources for the biennium 1996-1997. In this connection, the Advisory Committee recalls that the resource growth for contractual services for training programmes proposed for the biennium 1996-1997 was 7.2 per cent over the 1994-1995 appropriations.[43] The Committee was informed, however, that the resource growth for 1998-1999 would only raise the United Nations investment in staff training from the 1996-1997 level of 0.5 per cent to approximately 0.8 per cent of staff costs and that, by comparison, UNDP and UNICEF devote upwards of 2 per cent to staff development. The Committee points out, however, that from the current budget submission it is difficult to obtain an overall picture of resources required in support of training programmes.

VIII.50. For example, the Advisory Committee points out that the resource requirements of $13,609,300 before recosting as indicated in table 27C.12 are not all-inclusive. The Committee notes the distribution of the amount of $13,609,300 as indicated in paragraph 27C.70. In addition the Committee was informed that language training programmes had been decentralized and that each duty station had its own allocation for this purpose. The total estimate for these activities is $4,087,400 before recosting.

VIII.51. With regard to other costs in support of training programmes, the Advisory Committee notes that included in the total of 57 regular budget posts in table 27C.11 are posts in support of training programmes; distribution of the 57 posts is indicated in paragraph 27C.59. The Advisory Committee was informed that, as indicated in paragraph 27C.3 (b) (iii), the Specialist Services Division has been enhanced through the integration of examinations, staff counselling, career development and management policy and performance management support within the Staff Development and Training Service. Consequently, the total amount of $10,480,500 before recosting shown in table 27C.10 in respect of the overall requirements of the Specialist Services Division includes requirements for posts and other items of expenditure in support of training programmes.

VIII.52. Resources for items such as equipment, supplies and materials, as indicated in paragraph 27G.29 ($11,300) and 27G.30 ($10,800), have not been included in the language training costs for Vienna. Similarly, such requirements, including requirements for furniture and office space in support of training programmes at Headquarters and other duty stations, have not been included in the overall requirements for training programmes.

VIII.53. The Advisory Committee was informed that requirements for some of the recent training programmes for personnel for peacekeeping operations, ranging from Chief Administrative Officers to Junior Administrative Officers, were charged to regular budget resources. The Committee was informed that these requirements had been included under the heading human and financial resources management shown in the following table which was provided to the Committee. In this connection, the Committee recalls that in his report on the support account for peacekeeping operations the Secretary-General had proposed inclusion of an amount of $500,000 for training.

VIII.54. The Advisory Committee requested and received as indicated below some statistical information on the number of staff in training programmes.

Staff development and training programmes

Indicators (number of participants)	1994-1995 (actual)	January 1996-June 1997 (actual)	July 1997-December 1997 (projected)	1998-1999 (proposed)
Leadership and management				
Management development (includes people management training and follow-up)	385	681	379	1 100
General Service effectiveness training			80	1 600
Supervisory skills training		55	80	800
Collaborative negotiation skills		544	120	1 150
Gender training				1 000
Total, leadership and management training	385	1 280	659	5 650
Human and financial resource management	207	175	75	900
Information technology training	11 264	8 341	2 781	16 500
Language and communications training (HQ)				
Arabic	637	659	124	734
Chinese	444	347	68	366
English	1 600	1 085	220	1 442
French	3 304	2 565	542	3 157
Russian	773	624	126	701
Spanish	2 343	1 770	379	2 100
Communications skills training		274	107	570
Total, language training	9 101	7 324	1 566	9 070
Language proficiency	2 197	3 288	1 225	4 418

Indicators (number of participants)	1994-1995 (actual)	January 1996- June 1997 (actual)	July 1997- December 1997 (projected)	1998-1999 (proposed)
Substantive skills development and career support				
Orientation courses for new staff members	222	110	35	130
Sabbatical	1	7	6	20
Upgrading substantive knowledge and skills[a]	4 198	1 500	750	3 000
Career support including junior professional development programmes, career planning workshops, job search support, etc.	0	262	200	1 600
Total substantive skills training	4 421	1 879	991	4 750
Grand total	27 575	22 287	7 297	41 288
Performance Appraisal System training	7 717	3 492	[b]	[b]

[a] In 1994-1995, this included a variety of training activities such as project management workshops, training for security personnel, classification workshops, procurement training, etc. Subsequently, it referred only to decentralized programmes for upgrading substantive skills.

[b] See chap. I.

VIII.55. From the information set out above, the Advisory Committee notes that the actual number of staff trained in 1994-1995 was 27,575. From January 1996 to June 1997 the number was 22,287, the number projected for the period from July to December 1997 is 7,297 and proposed for the biennium 1998-1999 is 41,288. The number of staff to be trained in the coming biennium is expected to almost double, with an estimated 5,560 staff to be trained in leadership and management.

VIII.56. The Advisory Committee is concerned about the lack of information available on the effectiveness of the training programmes, the selection of those to be trained, the qualification of the trainers in a number of fields and follow-up mechanisms to ascertain the performance and progress of those who have been trained.

VIII.57. With regard to language training programmes, the Advisory Committee recalls the views of the General Assembly stated in its resolution 50/11 of 2 November 1995 on multilingualism. In that resolution, the General Assembly stressed the need to ensure adequate human and financial resources for maintaining the teaching at all levels, of the official and working languages of the Secretariat. The Committee trusts that every effort will be made to ensure that language training is geared towards enhancing the use of the official and working languages and the skills of the staff concerned.

VIII.58. In that connection, the Advisory Committee reiterates its request that the Secretary-General ensure that training programmes are cost-effective and that they are designed to address specific problems, the solution to which will enhance the United Nations capacity to deliver its mandated activities.[44] The Committee also requests that in future the Secretary-General include in the programme budget proposal information on the role of training institutions in Member States with a view to assessing the cost-effectiveness of training United Nations personnel in such institutions.

VIII.59. The Advisory Committee recalls that it has called for the evaluation of the training programme in UNFPA. The Committee reviewed the results of that evaluation as contained in document DP/FPA/1997/11 and believes that a similar exercise should be undertaken for the United Nations Secretariat. Accordingly, the Committee recommends that a comprehensive evaluation of all United Nations training programmes be undertaken irrespective of the source of funding. The review should be carried out in the same manner as that carried out for UNFPA and should ascertain the cost-effectiveness, relevance and other pertinent objectives of the training programmes undertaken by the Secretariat. Of particular concern to the Committee is the apparent lack of overall guidelines for the identification of needs for each department, office or programme for which training would enhance skills and increase expertise; the formulation and implementation of training programmes; the identification of trainees; the qualification of trainers; and the assessment of the effect of training, including procedures for follow-up.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 27C.1 and 27.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 27C would be a decrease of four General Service posts and an increase of $2,263,700 from $43,090,300 to $45,354,000.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 27D Support services

VIII.60. As indicated in table 27D.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27D amounts to $211,221,700 before recosting, a decrease of $18,676,000 against the 1996-1997 appropriations.

VIII.61. The extrabudgetary resources as shown in table 27D.1 are estimated at $16,953,900, resulting in total resources and requirements for 1998-1999 at $239,966,600.

VIII.62. The Advisory Committee notes from table 27D.1 that there is an increase of extrabudgetary resources from $16,675,900 to $16,953,900. However, as indicated in the same table, there is a slight decrease in resources in item (a) (i), Services in support of United Nations organizations, support to extrabudgetary administrative structures, from $5,563,600 in the biennium 1996-1997 to $5,054,400 in the biennium 1998-1999. With regard to extrabudgetary resources for peacekeeping operations, the Committee was informed that the amount of $10,747,600 indicated in table 27D.1 included about $3.6 million for rental of space.

VIII.63. As indicated in table 27D.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 629, representing a decrease of 11 regular budget posts as compared with the total of 640 posts for the biennium 1996-1997. In addition, the Committee notes from the same table that two temporary posts funded under the regular budget during 1996-1997 are proposed to be discontinued in 1998-1999.

VIII.64. As indicated in table 27D.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 74, representing a decrease of 1 extrabudgetary post as compared with the total of 75 posts for the biennium 1996-1997. As indicated in footnote b to the table, of the total number of extrabudgetary posts, 33 posts in support of peacekeeping operations were provided during the biennium 1996-1997. The Advisory Committee understands that there would be no change in this number during the biennium 1998-1999 since no additional posts were requested for this activity. Of the 11 regular posts proposed to be decreased, the Committee was informed that all 11 posts were vacant during all or part of the biennium 1996-1997.

VIII.65. As indicated in footnote a to the table, five gratis personnel on non-reimbursable loan at the P-3 level were contributed during the biennium 1996-1997, and it was anticipated that the same number and grade of gratis personnel would be contributed in the biennium 1998-1999. The Advisory Committee's views on gratis personnel have been indicated in its report on the subject (A/51/813). In particular, the Committee draws attention to its comments in paragraph 20 of its report on procurement reform (A/51/7/Add.3) concerning the question of gratis personnel involved in procurement activities. The Committee was informed that, although these officers do not have procurement signing authority, they were engaged in such areas as drafting technical specifications, purchasing and operational activities. In this connection, the Committee recalls the provision of General Assembly resolution 51/243 of 15 September 1997 by which the Assembly requested the Secretary-General to phase out expeditiously type II gratis personnel, as well as action 3 of the Secretary-General's measures and proposals for reform contained in his report on renewing the United Nations: a programme for reform (A/51/950), in which it is stated that a plan will be developed to phase out the use of gratis personnel in the Secretariat at the earliest possible date. The Committee points out that there is a serious potential conflict of interest in such a situation, especially since these officers are not staff members of the United Nations and therefore are not answerable under the regulations and rules of the Organization (see para. VIII.116 below).

VIII.66. As indicated in paragraph 148 of the introduction to the proposed programme budget, 48 regular budget posts are proposed for abolition in 1998-1999 as a result of increased reliance on outsourcing, discontinuance of functions or as part of efforts to find less costly, alternative working arrangements. The Advisory Committee points out that at its fifty-second session the General Assembly will consider the report of the Office of Internal Oversight Services on the review of outsourcing practices at the United Nations (A/51/804) in the light of the report of the Joint Inspection Unit on the subject (A/52/338).

VIII.67. However, there is a net decrease of 13 posts proposed for this section of the proposed programme budget. The Advisory Committee notes from paragraph 27D.46 of the proposed programme budget that 29 posts are proposed to be converted from general temporary assistance to established posts, including one post at the D-2 level. The Committee understands that the 29 posts funded through general temporary assistance have not been subject to geographical distribution. In view of the recommendation of the Committee for merging information technology services and IMIS as indicated in paragraph 19 above, the Committee does not recommend conversion of the 29 posts currently against general temporary assistance, nor does it recommend reclassification of the D-1 post to the D-2 level. In addition, as indicated in paragraph 27D.32, eight posts (1 D-1, 1 P-5, 3 P-4; 1 P-3, 1 General Service (Principal level) and 1 General Service (Other level)) related to the Technological Innovations Programme are proposed to be redeployed into this section of the proposed programme budget from Conference Services. As indicated in paragraph 27D.46, two posts (1 P-3 and 1 General Service (Other level)) are proposed to be redeployed to this section from the Office of Programme Planning, Budget and Accounts and one General Service (Principal level) post is proposed to be redeployed from the Office of Human Resources Management. On the other hand, as indicated in paragraph 27D.58, five posts in the General Service category have been redeployed out of this section to the Office of Programme Planning, Budget and Accounts.

VIII.68. The Advisory Committee notes from the table following paragraph 27D.7 that within the programme of work of this section of the budget, 54.2 per cent of regular budget resources and 36.5 per cent of extrabudgetary budget resources account for buildings management services. However, information technology, combined with estimates for IMIS, account for 25.2 per cent of regular budget resources and 14.8 per cent of extrabudgetary resources. Moreover, resources devoted to information technology are also included in every other section of the proposed programme budget.

VIII.69. The Advisory Committee notes from table 27D.3 that nine Security Services posts have been indicated for the biennium 1996-1997 and for the biennium 1998-1999 against extrabudgetary resources. The Committee was informed that the continuation of the nine posts results from negotiations with UNDP, UNICEF and UNFPA on the cost of services provided by the United Nations. In this connection, the Committee reiterates the need for a joint review by UNICEF, UNDP, and UNFPA as to the reimbursement to the United Nations for services. The Committee has recommended that the agreed rates, including the basis for the proposal, be submitted to it for scrutiny prior to implementation.

VIII.70. The Advisory Committee notes the proposed abolition of five Security Officer posts, as indicated in paragraph 27D.18 of the proposed programme budget. The Committee questions the rationale for this reduction, especially in view of the Secretary-General's statement in paragraphs 27D.19 and 27D.23 that the Organization continues to be faced with increased threat levels and heightened security risks. The Committee also notes the request for overtime of $2,816,500 for security services. The Committee points out that it is not always cost-effective to have Security Officers work for extended periods of overtime. However, the representatives of the Secretary-General informed the Committee that the reduction in posts would be made in areas where it would not affect the overall security situation. In this connection, the Committee recalls its comments in its first report on the proposed programme budget for the biennium 1996-1997[45] that the Committee had consistently pointed to the need for efficient management of overtime funds for security. The Committee was informed that, in an effort to control overtime without compromising security and safety needs, the Security and Safety Service had been implementing measures such as reduction of non-essential posts, maintaining the 40-hour overtime limit per officer, per month, subject to personnel resources; pre-approval of all overtime by the Inspector of the Security and Safety Service; final approval of all overtime by the Office of the Chief of Security; minimizing overtime hours incurred, notwithstanding a 10 per cent reduction in staff; and minimum security staffing of unscheduled high-level visits and events.

VIII.71. The Advisory Committee notes from table 27D.2 of the proposed programme budget that an amount of $9,667,200 before recosting has been estimated for contractual services for the biennium 1998-1999. The Committee requested a breakdown of this amount and was provided with the following:

Support services

Contractual services (breakdown)

(Thousands of United States dollars)

External printing of various forms related to security and safety, communications, building management and mail operations, and procurement and transportation (e.g., travel authorizations, visa and processing forms, laissez passers)	148.1
Proprietary software rental related to help-desk tracking system and software support and license agreements related to IMIS	1 010.6
Specialized database acquisition and rental, including access to external databases, and for administration of centrally managed services	250.9
Continued systems design and development of enterprise-wide systems and applications (e.g., e-mail, news services, video conferencing etc.)	283.7
Conference engineers (sound)	7 642.0
Specialized services related to the outsourcing of certain archival processing, commercial storage and imaging services	331.9
Total	9 667.2

VIII.72. On external printing of forms, the Advisory Committee requests that internal printing capacity be used to the maximum extent possible. On the question of outsourcing, the Committee reiterates the need to establish criteria to determine services to be contracted out. The Committee also recalls the comments of the Office of Internal Oversight Services in its report (A/51/804) on the need to conduct a cost benefit study on the subject.

VIII.73. The Advisory Committee once again discussed with the representatives of the Secretary-General the question of the rates of reimbursement of the cost incurred by the regular budget in support of extrabudgetary activities. In this connection, the Committee recalls that in its first report on the proposed programme budget for the biennium 1990-1991,[46] it had recommended that a system be devised to establish a fair share of reimbursing the cost of accommodation for posts related to extrabudgetary activities. The Committee reiterated its recommendation in its first report on the proposed programme budget for the biennium 1996-1997.[47]

VIII.74. The Advisory Committee was informed that a comprehensive agreement was under discussion between UNDP, UNFPA, UNICEF and the United Nations to cover all services being provided. The Committee requested details on this as well as a breakdown of costs incurred for rental of office space related to posts assigned to technical cooperation and other activities funded by extrabudgetary resources.

Information technology services and the Integrated Management Information System

VIII.75. The Advisory Committee notes from table 27D.9 of the proposed programme budget that an amount of $42,857,500 before recosting has been requested for information technology services for the biennium 1998-1999; extrabudgetary resources as shown in table 27D.9 amount to $2,524,200. As can be seen from table 27D.11, an amount of $9,237,000 before recosting has been requested for the support and maintenance of IMIS; no extrabudgetary resources have been indicated. The cost of the project will be indicated in a separate report to the General Assembly. The total estimate for information technology services and IMIS is therefore $52,094,500 under the proposed programme budget, or 25.2 per cent of the total resources requested for section 27D of the proposed programme budget.

VIII.76. With regard to the number of posts, the Advisory Committee notes from table 27D.10, that 99 posts, including 13 posts funded from extrabudgetary resources have been requested for information technology services. As indicated in paragraph 27D.32, an amount of $13,171,800 relates to salaries and common staff costs in respect of the 86 regular budget posts indicated in table 27D.10 of the proposed programme budget. For the biennium 1996-1997, a total of 88 regular budget posts had been approved. The total of 86 posts for the biennium 1998-1999 takes into account the proposed redeployment of 8 posts from Conference Services related to the Technological Innovations Programme, the redeployment of two P-2 posts to IMIS and the proposed abolition of five General Service (Other level) posts and 3 Trades and Crafts posts. The proposed structure of the Information Technology Services Division for 1998-1999 would include one D-2 and three D-1 posts.

VIII.77. As indicated in paragraph 27D.46 of the proposed programme budget, resources amounting to $6,531,600 have been requested for IMIS to provide for 29 posts to be converted from general temporary assistance. In addition, the resources would cover one P-3 and one General Service (Other level) posts redeployed from the Office of Programme Planning, Budget and Accounts; two P-2 posts redeployed from the Information Technology Services Division and one General Service (Principal level) redeployed from the Office of Human Resources Management for a total of 34 posts.

VIII.78. As indicated in paragraph 27D.46, the level of the Chief of Service of IMIS is proposed at the D-2 level rather than the D-1 originally indicated for the IMIS central maintenance structure in the seventh report of the Secretary-General on IMIS. In this regard, the Advisory Committee notes that the proposed structure in support of IMIS would include a D-2 and a D-1 post, resulting in a top tier of six high-level posts in information technology services and IMIS (2 D-2 and 4 D-1) posts. The Committee recommends that IMIS and information technology services be reviewed with a view to establishing one organizational unit. The Committee is of the view that a combination of the two subprogrammes should enhance coherence in policy formulation, streamline activities and improve coordination. Furthermore, the Committee is recommending the establishment of an Information Technology Task Force. Pending the results of the review and the proposals of the Task Force, the Advisory Committee recommends the postponement of the proposed reclassification of the D-1 post to the D-2 level.

VIII.79. The Advisory Committee is of the view that, taking into account the end of the development phase of IMIS, IMIS functions should be combined with those of information technology services. In this connection, the Committee notes that the Secretary-General in paragraph 154 of his report on the work of the Organization[41] has said that a strategic plan for technology has been devised and put in place. The Committee did not find an indication of this in the proposed programme budget.

Information technology services

VIII.80. The Advisory Committee requests that the Secretary-General ensure that well-qualified individuals are assigned to this important sector of the Organization and, to this end, requests that a thorough review be undertaken of the level of expertise of personnel providing services in this area of operations. The Committee requests that this matter be assessed by the Task Force recommended in paragraph VIII.96 below.

VIII.81. The Advisory Committee notes that information in paragraphs 27D.24 to 27D.29 of the proposed programme budget is largely confined to describing unit functions. Extensive emphasis is given to describing the functions of the various units rather than projects and activities to be undertaken. The information supplied upon enquiry also appears to be too general and without an indication of problems that these projects are meant to address.

VIII.82. With regard to upgrading of equipment and infrastructure related to information technology services, the Advisory Committee was informed that it was estimated that an amount of $11.35 million would be required for this purpose.

VIII.83. The Advisory Committee recalls that, in its first report on the proposed programme budget for the biennium 1996-1997,[48] it had commented on the long-term policy implications of the growing introduction of personal computers and local area networks (LANs) in the Organization and the decreasing dependence on mainframe computing. The Committee understands that a review has been undertaken and, as a result, as indicated in paragraph 27D.37 (b) of the proposed programme budget, the leased mainframe computer at the New York Computing Centre is being returned to IBM and all central computing data-processing will be performed by 53 medium-sized computers supporting central applications.

VIII.84. The Advisory Committee notes from paragraph 27D.41 that an amount of $2,644,600 has been requested for the estimated cost of International Computing Centre (ICC) mainframe services under the estimates for grants and contributions.

VIII.85. The Advisory Committee was informed that with increased use of such systems as IMIS and other applications, in the long run, the use of mainframe computers will be reduced. It was informed, for example, that with the introduction of IMIS the payroll function in New York does not require ICC support any longer, whereas in Geneva, ICC will be depended on until such time as IMIS Release 4 is installed.

VIII.86. The Advisory Committee was also informed that with the ICC option, of the 13 posts previously needed for mainframe support, only 3 would be required. Non-post savings could also be achieved based on the ability of ICC to realize economies of scale for hardware resources and system software licenses, to offer shared printing resources and to eliminate the need in New York for existing contractor services.

VIII.87. The Advisory Committee recalls that, as noted in its first report on the proposed programme budget for the biennium 1996-1997,[49] an amount of $6,476,300 had been proposed for rental and maintenance of the mainframe computer used by the New York Computer Section for 1996-1997. For the biennium 1998-1999, in addition to the amount of $2,644,600 representing the cost of ICC mainframe services (indicated in para. 27D.41 of the proposed programme budget), an amount of $5,239,000 is shown in paragraph 27D.37 (b) to provide for various computing needs. The Committee was not able to pinpoint the extent to which savings had been achieved, since the total estimated requirements in 1998-1999 would be $7.9 million, which is greater than the $6.5 million estimate for 1996-1997.

VIII.88. The Advisory Committee was informed (see also the performance indicators following paragraph 27D.31 of the proposed programme budget) that help desk calls have increased from 28,546 in 1994-1995 to an estimated 40,000 for 1998-1999. The Advisory Committee also notes that the network connections (installations related to LAN connectivity), which numbered 3,096 in 1994-1995, rose to 5,000 in 1996-1997 and are expected to remain at that high level in 1998-1999. However, with the increase in IMIS usage, the volume of traffic has steadily increased since the start of the IMIS operation in 1993 and user demand will also increase.

VIII.89. The Advisory Committee was informed that the help desk service is currently staffed by one Professional and six General Service staff; the number of General Service posts is to be increased to eight at the request of the ICC, which has taken over the responsibility. The Committee questions the effectiveness of having ICC provide help desk staffing services; this should not be the function of ICC. (For the Committee's views regarding user support, see para. VIII.98 below.)

VIII.90. The Advisory Committee was informed that the industry standard for help desk services is one service person per 150 personal computers. As such, for the current number of personal computers connected to the LAN, 33 positions would be required for the help desk, which also provides services to the Permanent Missions, 183 of which are connected to the Headquarters LAN. Furthermore, as indicated in the report of the Secretary-General on international cooperation in the field of informatics,[50] similar support services previously performed by UNDP for the Permanent and Observer Missions will be assumed by the United Nations Secretariat.

VIII.91. The experience of the Committee is that this area has heretofore been given very low priority, adversely affecting productivity and the efficient operation of a large number of United Nations activities. The Committee therefore recommends that a thorough review be made of the current arrangements for the provision of user support throughout the Secretariat (see para. VIII.98 below).

VIII.92. The Advisory Committee was informed that the Technological Innovations Board has been replaced by an Information Technology Coordinating Committee (ITCC). The Committee requested information on the terms of reference and composition of ITCC and was informed that the focus of the new terms of reference of the ITCC includes a mandate to develop strategy for the application and standardization of information technology in the United Nations, to gain consensus on development priorities within existing resources and to collaborate on Organization-wide planning for information technology systems.

VIII.93. The Advisory Committee trusts that ITCC will be able to introduce orderly development of new information systems, introduce guidelines for standards on hardware and software and prevent what appears to be a piecemeal approach resulting in the development of incompatible computer systems and the acquisition of different software, even for the same application. For example, different software is now being used at Headquarters and at duty stations away from Headquarters. The concurrent use of such software as Wordperfect, Microsoft Word, Power Point and Excel makes it difficult for users to share information without using a series of conversion applications. The applications used in Geneva for example are different from New York.

VIII.94. Based on the testimony of the representatives of the Secretary-General, the Advisory Committee is convinced that there does not appear to be comprehensive knowledge of the state of technology at the United Nations. In this connection, the Committee recommends that information on the extent of use of new technology in United Nations operations, including information on the related investment in infrastructure, hardware and software, be submitted to the Committee in the context of future proposed programme and peacekeeping budgets.

VIII.95. The Advisory Committee recalls that in its report[51] it had noted the absence of a long-term coordinated strategy to achieve greater efficiency and effectiveness in United Nations operations through technological innovation. It had recommended that such a strategy be developed as a matter of urgency and that a time-frame for the coordinated implementation of the various initiatives now under way be submitted in the context of the Secretary-General's proposed programme budget for the biennium 1998-1999.

VIII.96. Furthermore, in view of the growing importance of new technology in United Nations operations, the Advisory Committee believes that it is urgent for the Secretary-General to establish a long-term plan for technological development in the United Nations Secretariat throughout the system. In this connection, the Committee recalls that the Organizational Committee of the Administrative Committee on Coordination expressed strong support for the proposal to create a United Nations system-wide Intranet (Internet for internal use) as a means to facilitate the effective integration of the competencies of all concerned United Nations organizations in support of country-level action.[52] In the same context, the members of the Organizational Committee shared the view that there was an urgent need for a strategic and systematic approach to information and communication technologies and information management that would ensure compatibility, accessibility and convergence of communications and computer-based systems among the organizations of the system. To this end, the Advisory Committee recommends that the Secretary-General appoint an information technology task force, composed of qualified experts, to review the state and technological development in the United Nations Secretariat and to recommend a long-term strategy and plan of action, taking into account the information technology strategy for New York Headquarters and offices away from Headquarters that is in the process of being finalized for adoption.

VIII.97. The Advisory Committee requested information on the number and type of contracts now operating at Headquarters for the maintenance of information technology infrastructure, hardware and software. It was provided with the following information:

Maintenance and support contracts: costs for the biennium 1998-1999

(United States dollars)

Description	Vendor	Cost	Status
In computer technology			
UNIX Computers	Hewlett Packard	486 000	In place
LAN servers	To be selected	280 000	Projected
Sybase	Sybase	22 000	In place
TCP/IP software	FTP Software	10 000	In place
Lotus cc:mail	Lotus Development Corp.	40 900	In place
Internet T1 line	UUNET	75 000	In place and projected
ODS support - hardware/software	DECAN	1 896 000	In place
PC hardware support	To be selected	1 100 000	Projected
Printers	XEROX	50 000	In place
	IBM	50 000	In place
Total		4 009 900	
In telecommunications			
Cabletron hubs	Cabletron Inc.	900 000	Projected
Cisco routers	Cisco Systems	55 500	In place
PABX telephone system	INTECOM	1 298 822	In place
Telephone billing software	Telco Research	48 127	In place
Telephone billing hardware	DEC	33 204	In place
Facsimile	IKON, Future Tech., Cannon	16 550	In place
Packet switching network	Ericsson	70 922	In place
FAX-message switch	DEC	326 976	In place
Voicemail	Voiceware Systems	10 000	In place
Total		2 760 101	
Grand total		6 770 001	

VIII.98. The Advisory Committee recommends that maintenance and user support services be provided on a contractual basis; that management consider the option of having the contract staff based in-house to be available on call; that the contract service be available not only to the United Nations Secretariat but to the funds and programmes based in New York; that procedures be in place for qualified United Nations staff to be available to ensure quality of service, taking full advantage of the free on-line services provided by the hardware and software vendors; and that payment should be released only upon certification that delivery of service has been made to the satisfaction of the United Nations. There should also be a mechanism by which complaints regarding poor service are recorded and used in evaluation of contractors' performance.

VIII.99. The Advisory Committee notes from paragraph 27D.38 of the proposed programme budget that an estimate of $12,491,700 for communications would cover areas such as voice services, including the Headquarters, private branch exchange (PBX) and local telephone services; messaging services, including e-mail and central facsimile switching; data communications, including LAN infrastructure; video-conferencing and special services; secure communications; and leased lines for the United Nations global network. A breakdown of the total amount of $12,491,700 is given in paragraphs 27D.38 (a) to (e). In view of the rapid developments in communications technology, the Committee requests that vigorous efforts continue to be made to obtain services at the most advantageous rates and to achieve savings as envisaged in paragraph 27D.38 (b). In this connection, the Committee welcomes the intention to reduce telecommunications expenditures by exploring cooperative traffic-sharing arrangements with other United Nations organizations.

VIII.100. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[53] it had noted that a provision of $3,262,200 had been proposed for rental of alternate voice/data (AVD) circuits mainly as back-up communication links between New York and the United Nations overseas offices. The Committee had recommended that the Secretary-General review the long-term need for those lines, taking into account the decisions of the General Assembly at its fiftieth session on the United Nations telecommunications network.

VIII.101. The Advisory Committee was informed that in the context of a procurement action those AVD lines (which have become obsolete) would be replaced by high-speed digital links to offices away from Headquarters. In some cases where a commercial carrier could not provide the necessary services to a particular duty station (or the links were prohibitively expensive), the United Nations would set up a satellite-based connection using capacity procured under special arrangement with INTELSAT.

VIII.102. The Advisory Committee notes the indication in paragraph 27D.38 (b) of the proposed programme budget that significant changes in the telecommunications market were expected to yield reductions in the cost of long-distance voice, facsimile and data communications services, and, further, that arrangements for lease-lines (tie-lines) to offices away from Headquarters, as well as those for other global destinations reached via commercial carriers, would be subject to competitive bidding and recosted regularly as rates continued to change. It was also proposed to explore cooperative traffic-sharing arrangements with other United Nations agencies in an effort to reduce telecommunications expenditure. Notwithstanding this information, the Committee notes from the same paragraph that an amount of $3,538,600 has been requested for the biennium 1998-1999 for the rental of AVD circuits. The Committee trusts that vigorous efforts will be made to ensure maximum efficiency in services provided to the United Nations in conjunction with similar efforts to ensure cost-effectiveness.

VIII.103. The Advisory Committee recommends that economies on savings achieved under this section of the proposed programme budget be used to invest in new emerging modalities such as video conferencing and remote translation and interpretation.

VIII.104. The Advisory Committee recalls that in his report on telecommunications in the United Nations the Secretary-General stated that he intended to pursue the integration of the present United Nations global network with the Mercure network which was due to go into its initial phase of operation during 1997 as part of UNEP. As stated in the report, because the Mercure network provided links to destinations, some of which were also Secretariat sites, some economies of operation could be achieved if the two networks could be interconnected; before this could take place, however, some technical obstacles needed to be resolved (A/C.5/51/46, para. 27). On enquiry, the Committee was informed that ITU had been requested to assess the feasibility of integrating the two networks. The Committee notes that information on the Mercure project has not been included in the proposed programme budget. The Committee requested additional information on the subject, including the cost of the feasibility study, but did not receive a response.

Integrated Management Information System

VIII.105. Total resources for IMIS are not easy to identify in the proposed programme budget. On enquiry, the Advisory Committee was informed that the following sections of the proposed programme budget for 1998-1999 contain references to IMIS and imply additional resources:

Budget section	Additional requirements (United States dollars)
Section 27B, Office of Programme Planning, Budget and Accounts	
Paragraph 27B.17	100 000
Section 27D, Support services	
Paragraph 27D.33 (b)	845 100[a]
Section 27F, Administration, Geneva	
Paragraph 27F.17	18 600

[a] Not related specifically to IMIS, as resources are already required for the 24-hour LAN service.

VIII.106. Although IMIS project costs in the main could be said to include three different types of expenditure, i.e., construction, implementation and maintenance, the Advisory Committee believes that there are costs incurred by other organizational units other than those mentioned above for various IMIS-related activities.

VIII.107. The Advisory Committee was informed that at the introduction of IMIS Release 3 more than 1,100 staff had been trained, more than 400 users on average were accessing the system on a daily basis and between 9,000 and 13,000 transactions were performed on a daily basis. The Advisory Committee welcomes these data, but requests that vigorous training of staff, including managers, in the use of IMIS and other information technology be provided; in fact, it should be the United Nations policy that all staff should be computer literate, at least in their area of expertise.

VIII.108. The Advisory Committee notes the statement in paragraph 27D.44 of the proposed programme budget that, since 1996, IMIS has become the most important application of the Organization and of a series of other organizations of the United Nations system such as UNDP, UNICEF, UNHCR and ILO. However, on enquiry, the Committee was informed that these entities were only using the human resources module at this time and had not yet decided whether to use the financial module of IMIS. UNHCR had, in fact, not begun to use either module. The Advisory Committee also notes the statement in the same paragraph that by the end of 1997 all Secretariat duty stations and many peacekeeping missions would rely on IMIS for most of their administrative work, human and financial resource planning, decision-making processes and reporting to Member States. From the testimony presented to the Committee by representatives of the Secretary-General during its consideration of various sections of the proposed programme budget, the Committee doubts whether all this would indeed be accomplished by the end of 1997.

VIII.109. The Advisory Committee notes from paragraph 3.32 (b) (ii) of the proposed programme budget that the Department of Peacekeeping Operations plans to design and develop automated personnel systems, with appropriate interface with IMIS, to maintain and monitor staffing tables and related data and vacancy statistics for field missions.

VIII.110. As indicated in paragraph 27D.29 of the proposed programme budget, the optical disk project was transferred to this section of the proposed programme budget on the recommendation of the Advisory Committee, with a view to strengthening the capacity of the Secretariat to provide guidance in the field of information technology as it relates to the distribution, access and storage of parliamentary documentation. The long-term goal of this system is to establish a more economical and secure means of distributing and storing parliamentary documentation and to provide timely access to such documentation in electronic form on a system-wide basis to all offices of the United Nations, Permanent Missions to the United Nations, governmental offices and other users as appropriate. The objectives of the optical disk system (ODS) are to increase the speed and reduce the costs of worldwide distribution, provide more economical and secure means of storage, facilitate reference to these documents by users worldwide and provide a central repository of electronic documents. The Advisory Committee believes that steps should be taken to accelerate the realization of those important goals and objectives, since success would have far-reaching implications for the United Nations in terms of reduction of costs for paper, printing and storage and would facilitate considerably user access to United Nations documents. In this connection, the Committee notes that the General Assembly, in its resolution 51/211 F of 15 September, encouraged the Secretary-General to develop a policy for the further expansion of the optical disk system of the United Nations, including provisions for making it available on a fee-for-services basis to any interested party, with some exceptions, such as for Member States.

VIII.111. The Advisory Committee was informed that ODS was in its fifth year of full operation and provided for electronic archiving and distribution of parliamentary documents in all six official languages. The Committee has recommended that the possibility of archiving United Nations records and documents in addition to parliamentary documents should be explored (see para. VIII.128 below). The Committee was provided with statistics that indicated that as of January 1997, 65,196 documents had been stored on the ODS. All documents issued from 1992 onwards in Geneva and New York were available on the system, and during the biennium 1998-1999, documents issued in Vienna and the regional commissions, as well as reports related to special conferences around the world, were expected to be available on the system. Access to ODS via the Internet was achieved in October 1996 and the sale of subscriptions for accessing ODS has started as a joint project with the Sales and Marketing Section. During 1997, CD-ROM products which would contain documents and indexing information for ODS would also be made available to Member States and the general public; a production facility for CD-ROMs from ODS has been installed at the United Nations Office at Geneva.

VIII.112. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997,[54] the Committee had recommended that the Secretary-General pursue expeditiously, efforts to allow outside users access to United Nations databases such as Gopher and Web server for a reasonable fee and that complete information in this regard be presented to the Committee in the proposed programme budget for the biennium 1998-1999. The Committee notes that information as requested has not been included in the proposed programme budget for the biennium 1998-1999, although, as indicated in paragraph VIII.111 above, the sale of subscriptions for accessing ODS had started.

VIII.113. With regard to fees paid by the United Nations for access to external databases, the Advisory Committee was informed that currently there was no set policy regarding such access. Some services such as Internet are rented centrally and made available to the various departments, while in other cases, each department chooses it own provider. That being the case, the Advisory Committee believes that there is an urgent need to establish a central policy for access to external databases as well as the establishment of control measures for monitoring of usage. Furthermore, the Committee reiterates its previous view that greater efforts should be made to explore the possibility of generating income through the sale of access to United Nations databases.

Procurement

VIII.114. The Advisory Committee notes from table 27D.13 of the proposed programme budget for the biennium 1998-1999 that an amount of $13,571,800 before recosting has been requested for procurement and transportation activities. Total extrabudgetary resources as shown in the table amount to $7,106,200.

VIII.115. As indicated in table 27D.14, the total number of posts to be funded under the regular budget are 84 for the biennium 1998-1999 as compared with 95 for the biennium 1996-1997. Extrabudgetary posts, at 40, remain the same as in 1996-1997; 31 of these are funded by the support account for peacekeeping operations.

VIII.116. The Advisory Committee notes from footnote a to the table that five gratis personnel on non-reimbursable loan have been contributed at the P-3 level for the biennium 1996-1997 and that it was anticipated that this would continue in 1998-1999 at the same number and grade of personnel. The Committee's views on gratis personnel in the Organization are set out in its report on the subject (A/51/813). The Committee strongly believes that the use of gratis personnel in areas such as procurement should be avoided. In this instance, there seems to be little justification or rationale to abolish established posts while continuing to use the services of gratis personnel. The Committee notes that the five posts slated for abolition include one post at the P-2 level, two General Service (Other level) posts and two Trades and Crafts posts. The Committee was informed by the representatives of the Secretary-General that procurement services had to contribute towards the post reduction exercise. The Committee considers this to be arbitrary.

VIII.117. The Advisory Committee notes from paragraph 27D.58 of the proposed programme budget that the provision for posts would include the proposed reclassification of a D-1 level post to D-2 in order to provide the appropriate level of executive direction and management within the Division. In this connection, the Committee recalls its comments in its first report on the proposed programme budget for the biennium 1996-1997,[55] as well as its comments in its report on procurement reform in the United Nations Secretariat.[56]

VIII.118. The Advisory Committee recalls that, in its report,[57] the Board of Auditors noted that the United Nations rarely made use of open advertising and that almost universally bids/proposals were obtained through limited invitation from short-listed vendors. In its report on procurement reform,[56] the Committee provided information it had received as to the ongoing practice and the reasons for it; the Committee had been informed that owing to budgetary constraints the Procurement and Transportation Division rarely used open advertising but that it relied more and more on the use of electronic bulletin boards and on computer information networks (Internet).

VIII.119. The Advisory Committee notes that, in the proposed programme budget for the biennium 1998-1999, the requirements for advertising have not been indicated. On enquiry, the Committee was informed that included in the requirements for supplies and materials as indicated in paragraph 27D.64 of the proposed programme budget, were resources amounting to approximately $50,000 for the biennium for advertising in print as well as in electronic media. The Committee believes that this amount is insufficient given the need to reach a wider geographical area for procurement of United Nations requirements, including the developing countries.

Buildings Management Service

VIII.120. While the staff and related costs of the Buildings Management Service are reflected under this section of the proposed programme budget, requirements relating to capital expenditures are requested under section 31 of the proposed programme budget. The activities to be undertaken by the Buildings Management Service during the biennium 1998-1999 have been shown in paragraph 27D.69 of the proposed programme budget, with significant performance indicators also provided.

VIII.121. With regard to rental of premises, the Advisory Committee notes from paragraph 27D.73 (a) (i) that an amount of $22,474,700 has been estimated for rental of premises in New York. The Committee requested, and was provided with the following breakdown of the estimates:

Support services: 1998-1999 requirements for rental of premises

Premises	Lease status	Gross area (sq. feet)	Base rent (US$)	Variable element	Total rate per sq. foot	Cost per year	Cost for the biennium
One and Two United Nations Plaza[a]	25-year lease under negotiation	476 322	22.00	1.00	23.00	10 955 406	21 910 812
United Nations Plaza storage	Expires on 30 June 1998	8 000	10.00	1.00	11.00	88 000	176 000
Park Avenue South archives	Expires on 30 July 2000	37 500	3.00	7.52	10.52	394 500	789 000
FF Building	Expires on 30 April 2007	49 000	20.00	6.42	26.42	1 294 384	2 588 768
JFK Airport office (pouch)	Month-to-month lease	200	25.20		25.20	5 040	10 080
Total		571 022				12 737 330	25 474 660
Less anticipated extrabudgetary funding[b]							(3 000 000)
Total 1998-1999 requirements (rounded)[c]							22 474 700

[a] Under the contract under negotiation, the DC-I and II lease would be combined into one lease agreement at the rates indicated for base and escalation. The porter wage escalation previously included as a variable element would be eliminated.

[b] Extrabudgetary funding for the biennium projected in the amount of $2,200,000 from the support account for peacekeeping operations and $800,000 from the support account for technical cooperation activities.

[c] Before recosting for variable elements.

VIII.122. From the information provided, the Advisory Committee notes that space has been rented in the FF Building (304 East 45th Street) at a total cost of $2,588,768 for the biennium 1998-1999. With regard to the FF Building, the Committee recalls its comments in its first report on the proposed programme budget for the biennium 1996-1997.[58]

VIII.123. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[59] it had requested the Secretary-General to survey the terms of agreements under which the press and other entities occupied space in United Nations-owned/rented buildings free of charge or at less than commercial rates, with a view to considering the possibility of charging appropriate rent for such space. There is no evidence that this recommendation has been implemented.

Archives and records management

VIII.124. With regard to archives and records management, the Advisory Committee notes from table 27D.17 of the proposed programme budget that an amount of $3,346,800 before recosting has been requested. The Committee notes from table 27D.18 that four posts at the General Service level have been proposed for abolition as a result of gains in productivity from the use of information technology and through increased outsourcing of archival processing activities, as indicated in paragraph 27D.79.

VIII.125. In this connection, the Advisory Committee recalls its recommendation in its first report on the proposed programme budget for the biennium 1996-1997[60] that efforts be made to develop a long-term policy on archives and records management in the United Nations which should take full account of the current and future needs of the Organization, including those relating to peacekeeping operations and bearing in mind the advantages resulting from the Organization's investment in new technology.

VIII.126. The Advisory Committee was informed that over the last five years, the archives and records management programme has undergone considerable change in the nature of the work and in work processes. This has required the development of new techniques, procedures and skills and has entailed the reallocation of resources. An important feature of the medium-term plan for the Archives and Records Management Section was the integration of the Section with the Organization's information system. In 1994-1995, an information plan was developed by the Section with the assistance of a consulting firm. The plan charted changes in the Section's mission and programme that were necessary for achieving the programme set out in the medium-term plan, meeting the challenges of electronic records and increasing the efficiency of Section operations. A number of specific elements of the plan have been carried out. The Section acquired equipment necessary to integrate with the United Nations Secretariat LAN and selected software to replace the Section's obsolete database. In accordance with requirements of the information plan, the new software (TRIM) has additional functionality to provide modern records management and information retrieval for electronic and paper records in Secretariat offices. Since early 1997, the software has been applied to the Section's archives storage and retrieval database and its central files. Pilot projects for utilization of the software in Secretariat offices are in their early stages. The collaboration of the Section with the Electronic Document Management Section in the Information Technology Services Division includes areas of common interest in electronic document management and correspondence tracking systems. The Archives and Records Management Section is also expanding its expertise in information technology for specific application to record-keeping systems, such as imaging. Another area of increased activity has been in the external research use of security classified archival documents.

VIII.127. The Advisory Committee believes that these measures do not satisfactorily address the specific long-term needs of the Organization nor does the information clearly indicate the long-term implications of such measures as separate services for archives and records.

VIII.128. The Advisory Committee requests that the possibility of extending the use of the optical disc system beyond access and storage of parliamentary documentation to archival and records storage be explored. The Committee also requests that it be given information on the relationship between the work being done in the Library under the Department of Public Information, where electronic storage is also advancing rapidly and the work being done by the Archives and Records Management Section. Implementation of existing policies and procedures on archives is not going forward owing to lack of adequate resources and the low priority accorded this activity.

VIII.129. The Advisory Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that savings of $130,000 would be achieved by reducing hours and points of access to the United Nations garage and hours for outside deliveries; by implementation of energy-saving measures in the plant engineering section $100,000 was saved in 1996 and $150,000 has been projected in savings for 1997. The Committee also notes that by consolidating United Nations mainframe operations in Geneva as of April 1997, savings of at least $1.2 million would be achieved per year. However, the Committee points out that there is no way to trace any of the above-mentioned efficiency gains to the proposed programme budget for the biennium 1998-1999, nor were the representatives of the Secretary-General able to provide additional information in this regard.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above-mentioned report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 27D.1 and 27D.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 27D would be a decrease of four posts (1 Professional and 3 General Service and Trades and Crafts) and an increase of $116,828,000 from $211,221,700 to $222,904,500.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 27E. Conference services

VIII.130. As indicated in table 27E.1 of the proposed programme budget, the overall level of resources before recosting for section 27E of the budget is as follows: in New York for conference services, $228,483,300; in Geneva for conference and library services, $170,369,700; and in Vienna for conference and library services, $32,646,100. Thus, the overall level of resources proposed for the biennium 1998-1999 amounts to $431,499,100 before recosting, reflecting a reduction of $27,764,100 (6 per cent), compared with the revised appropriation for 1996-1997. Requirements for conference services in the United Nations Office at Nairobi and the regional commissions have been reflected in the respective sections of the proposed programme budget.

VIII.131. As indicated in paragraph 27E.9, the reduction reflects in part the introduction of "net budgeting" for conference services in Vienna, which results in an apparent reduction of $11,213,900 relating to services required to meet UNIDO and IAEA needs. A reduction of $2,496,800 relates to the transfer out of section 27E of the Treaty Series Copy Preparation Unit to section 6, Legal affairs, and the Technological Innovations Programme to section 27D, Support services. The Advisory Committee requested a further detailed breakdown of the other elements contributing towards the reduction, i.e. the amounts that relate to reduction of posts, reduction of services and other factors such as efficiency gains. The Committee was not able to obtain this information.

VIII.132. The Advisory Committee notes that the presentation of the estimates reflects net budgeting for the United Nations Office at Vienna. The Committee believes that this procedure distorts the transparency of the presentation, particularly as regards staff costs. In this connection, the Committee notes that some common and joint services have been calculated on a net basis, especially those services which seem to involve substantial resources for posts, while other non-post requirements have not been calculated on a net basis. The Committee's views on net budgeting are contained in chapter I.

VIII.133. Furthermore, for example, in table 27E.46, the requirements for posts have not been shown, and a minimal amount has been shown for other staff costs; these requirements have been shown under grants and contributions instead, as indicated in the table as well as in paragraph 27E.156 of the proposed programme budget. This procedure makes it difficult to ascertain what the Organization is spending on staff costs, although a number of posts are being funded on a continuing basis from the amount of $31,400,600; while these posts are not included in the United Nations staffing tables, the incumbents are nevertheless United Nations staff members. The Advisory Committee believes this procedure is misleading. In this connection, the Committee was informed that an allotment for the full budget as indicated in table 27E.48 would be issued by the Controller in anticipation of reimbursement from the other agencies using the services. In chapter I, the Committee has reiterated its request for a policy paper.

VIII.134. With regard to extrabudgetary resources, the Advisory Committee notes from table 27E.1 of the proposed programme budget an overall total of $9,225,100, including an amount of $2,780,000, under the heading "Other". While the Committee noted the explanation in footnote b to the table that the amount under "Other" comprises services provided to extrabudgetary meetings on a reimbursable basis, excluding reimbursement relating to the use of permanent capacity, which is credited to miscellaneous income, it enquired as to the difference in treatment regarding reimbursement of resources, but did not receive this information.

VIII.135. As indicated in table 27E.1, resources amounting to $2,013,800 have been included for the International Seabed Authority. On enquiry, the Advisory Committee was informed that this estimate was based on the request for conference services received from the Authority.

VIII.136. With regard to the Trust Fund for German Language Translation indicated in the same table, the Advisory Committee was informed that the increase in resources from $1,972,800 estimated in 1996-1997 to $2,272,800 for 1998-1999 was mainly due to recosting. An explanation for the Library Endowment Fund appears in paragraph 27E.141 of the proposed programme budget.

VIII.137. The Advisory Committee notes from table 27E.3 that a total of 1,799 regular budget posts has been requested for conference services in New York, Geneva and Vienna. As indicated in paragraph 152 of the introduction to the proposed programme budget a "reduction of 80 posts in New York, 90 posts in Geneva and 27 posts in the gross budget in Vienna has been proposed" for a total of 197 posts to be reduced. The Committee notes that these reductions, which are mainly in the document-processing areas, are attributable in large part to continued streamlining and past investment in technological innovations. The Committee understands that interpretation and translation capacity however would be maintained, and trusts that this will be the case. The proposals also reflect a redistribution of resources among New York, Geneva and Vienna consistent with the expenditure pattern and trends in workload and the transfer in New York of the Treaty Series Copy Preparation Unit to the Office of Legal Affairs.

VIII.138. The Advisory Committee notes that the difference between the total number of established posts in 1996-1997 (2,178) and the total number of posts proposed for 1998-1999 (1,799) is 379. The Committee was informed that of the 379 posts, 90 posts have been proposed for reduction in Geneva, 80 for reduction in New York, as well as a further 13 posts proposed to be transferred out of section 27E in New York, and, as indicated in footnote b to table 27 E.3, 196 posts to be transferred in conference services, Vienna, from the United Nations staffing table.

VIII.139. A breakdown by grade, level and location of the posts to be abolished in conference services, New York, is indicated in paragraphs 27E.20 and 21. Of the 80 regular budget posts proposed to be abolished in New York, the Advisory Committee was informed that 42 were vacant as at July 1997. A breakdown by grade, level and location of posts to be abolished in conference services, Geneva, is given in paragraph 27E.78. Of the 90 regular budget posts proposed to be abolished in Geneva, the Committee was informed that 36 were vacant as at July 1997. A breakdown by grade, level and location of posts to be abolished in conference services, Vienna, is given in paragraph 27E.151 of the proposed programme budget. Of the 27 posts proposed to be abolished in Vienna, the Committee was informed that 16 were vacant as at July 1997.

VIII.140. The Advisory Committee notes that in table 27E.2 the amount of $43,147,100 under other staff costs includes an amount of $35.3 million before recosting for general temporary assistance for meetings. In New York, an amount of $19,894,100 has been proposed (para. 27E.33) and in Geneva an amount of $16,042,200 has been proposed (para. 27E.87). However, because of the situation caused by the net budgeting procedure adopted for Vienna, requirements for general temporary assistance for Vienna cannot be easily identified (see the comments of the Committee on net budgeting in chap. I).

VIII.141. With regard to contractual translation in New York, the Advisory Committee notes from paragraph 27E.57 that a provision of $4,019,200 has been estimated for this purpose on the basis that, consistent with the observation by the Board of Auditors, it is believed to be the most economical mode of translation.

VIII.142. The Advisory Committee notes from table 27E.2 that an amount of $31,400,600 before recosting, under grants and contributions, has been requested as the United Nations share of the jointly financed budget for conference and library services, Vienna. A breakdown of this amount is shown in paragraph 27E.156. In addition, as indicated in table 27E.46 and explained in paragraph 27E.155, direct costs for overtime ($151,000), contractual translation ($729,300) and library books ($365,200) are not shared costs and are charged to the United Nations budget. Thus the total of $32,646,100 before recosting, as shown in table 27E.46, reflects the net United Nations share of the jointly financed budget in Vienna. Tables 27E.48 and 27E.49 reflect the total requirements of conference services, Vienna, at full budget cost.

VIII.143. The Advisory Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that Conference Services, by cutting printed material by 13 per cent, achieved a savings of $1.5 million per annum; through the use of remote translation and by rearranging weekend shifts a further $1.4 million was saved; by implementing energy-saving measures in the plant engineering section, a savings of $100,000 was saved in 1996 and savings of $150,000 are projected for 1997.

VIII.144. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[61] the Committee had enquired into the extent to which the budget estimates for the section were based on demand for conference services. The Committee was informed that the resources requested were not directly based on total demand for services, but rather on experience in terms of expenditures, output and capacity over the previous years. The Committee was also informed that over the years there had been an increase in the demand for translation at Headquarters and that a large part of the growth in the demand for conference services resulted from additional, unplanned meetings of regularly scheduled bodies. In considering the workload statistics at that time, the Committee had commented that more should be done to make the performance indicators more useful, to provide better cost information on meetings and documentation and to make a detailed analysis of the actual level of demand and output for conference services, both for formal and informal meetings.

VIII.145. While the Advisory Committee welcomes the inclusion of performance indicators on non-calendar meetings in the workload statistics provided for meeting services, New York, in table 27E.9 and for Geneva in table 27E.29 of the proposed programme budget for the biennium 1998-1999, the Committee points out that the submission still lacks information on statistics for services demanded but not delivered. The Committee was informed that during 1995 and 1996 the numbers of meetings requested with interpretation in New York that could not be accommodated were 202 and 174 respectively. The Committee notes from the note to table 27E.9 that calendar meetings are meetings of intergovernmental or expert United Nations bodies, regardless of the nature of the meetings (formal, informal consultations, etc.) while non-calendar meetings are all other meetings, including mainly meetings of regional groups, other groups of Member States or intergovernmental organizations, and meetings organized by the Secretariat at its own initiative. Non-calendar meetings are provided with conference services on an "as available" basis.

VIII.146. The Advisory Committee notes from table 27E.9 that statistics for the biennium 1998-1999 are based on the experience of 1996. As shown in table 27E.9, a total of 11,000 meetings is estimated by the end of the biennium 1996-1997, and a total of 11,000 meetings is also estimated for the biennium 1998-1999. In the opinion of the Committee, the 1996 statistics may not be truly indicative owing to the mandatory budget reduction imposed during that year. The Committee was informed that there were obvious indications that there would be an increase in meetings, as estimates for the biennium ending 31 December 1997 show. The Committee was informed that, in fact, experience has shown that at least 20 per cent of the meetings are cancelled, and the Secretariat is therefore able to accommodate the non-calendar meetings. The Committee believes that the situation needs careful monitoring, both by the Secretariat and by Member States. In this connection, the Committee also notes that, whereas in table 27E.9 a total of 11,000 meetings has been estimated for New York during 1998-1999, as indicated in table 27E.29, a total of 13,600 has been estimated for Geneva. The Committee enquired as to the reasons for this but did not receive an explanation.

VIII.147. From the information provided to the Advisory Committee, it appears that cost reductions could have an adverse effect on the quality of conference services being provided. For example, the Committee was informed that the costs for hiring temporary interpreters and translators in New York and Geneva were considerably lower than the costs for permanent personnel for these activities. Economies achieved by recruiting temporary staff on a "when-actually-employed" basis may not prove economical in the long run and the United Nations may well find itself much less competitive in attracting the best possible services in translation and interpretation. Furthermore, staff that have been hired on a temporary basis may not be as familiar with the terminology of the United Nations.

VIII.148. The Advisory Committee notes from paragraph 27E.11 that resource proposals for 1998-1999 make provision for the further development of computer applications in conference services. Systems design and development projects will be undertaken to introduce further technological advances in various aspects of conference servicing.

VIII.149. The Advisory Committee notes from paragraph 27E.160 (b) that during the biennium 1998-1999 more effective use of technological innovation projects such as the Documents Control and Productivity Monitoring System (DCPMS) will be made in Vienna. In this connection, with regard to the measures proposed in New York to "ensure the connectivity of the document information and tracking systems in the three largest duty stations" (para. 27E.25) the Committee understands that the systems in New York and Geneva (DRITS) are different from that in Vienna (DCPMS). The Committee regrets this situation and that connectivity was not incorporated when these systems were being introduced. The Committee was informed that New York would undertake a study of overall requirements and integration of systems in New York, Geneva and Vienna, while the latter two would continue to enhance their existing systems.

VIII.150. The Advisory Committee notes from paragraph 27E.59 that for text-processing services, with the installation of Windows-based software in all units in 1996-1997, and on the basis of macros and other instructions developed internally, new document formats were being introduced to enhance readability, reduce paper consumption and facilitate electronic dissemination. The Committee also notes from paragraph 27E.62 that the use of printing on demand as an alternative to stock storage, combined with closer monitoring of distribution patterns, has already led to a 14 per cent reduction in document print-runs. The Committee welcomes the advances proposed for achieving greater economies and efficiency through technological advances; the Committee trusts that with progress so far it should be possible to effect greater economies and that these savings would be used for additional investment in documentation and publishing services.

VIII.151. The Advisory Committee notes from paragraphs 27E.11 and 27E.25 that the technical, financial and organizational feasibility of large-scale remote interpretation is being reviewed, taking into account the requirements for items such as space and electronic facilities. The Committee welcomes the increasing use of remote translation and interpretation, as well as video-conferencing, and trusts that every effort will be made to enhance use of these technologies with a view to maximizing efficiency and productivity while at the same time ensuring cost-effectiveness. With regard to video-conferencing, the possibility of installation of this facility for the Committee should be given urgent attention. Such a facility would be of practical advantage and cost-effective in cases where programme managers, particularly from duty stations away from Headquarters, are not able to appear before the Committee during its consideration of relevant budgets for peacekeeping operations, as well as for the regular budget and extrabudgetary resources.

VIII.152. With regard to workload statistics, the Advisory Committee notes the information in table 27E.16 regarding statistics for translation services in New York. Similarly, workload statistics have been provided for editorial services (table 27E.17), and reproduction and distribution of documentation in New York (tables 27E.21 and 27E.22). In the case of Geneva, workload statistics have been provided for meeting services (table 27E.29), for interpretation services (table 27E.32), for translation (table 27E.35) and for editorial services (table 27E.36). Similarly, statistics have been provided for text-processing (table 27E.39), copy preparation (table 27E.40), reproduction (table 27E.41) and distribution (table 27E.42) in Geneva. In respect of Vienna, workload statistics have been provided for meeting services (table 27E.53), as well as for interpretation services (table 27E.56), translation services (table 27E.59), editorial services (table 27E.60), text-processing (table 27E.63), copy preparation (table 27E.64), reproduction (table 27E.65) and distribution (table 27E.66).

VIII.153. The Advisory Committee believes that all these workload standards should be revisited, given the potential for increase in productivity as a result of utilization of new technology.

VIII.154. The Advisory Committee notes in paragraph 27E.78 the proposed abolition of 20 Professional and 70 General Service posts in Geneva. Reductions in staff for interpretation and translation services are offset by an increase in temporary assistance for meetings, which is cost-effective in Geneva.

VIII.155. The Advisory Committee notes from paragraph 27E.137 that the requested amount of $161,600 relates to fees for access to on-line information resources (DIALOG, EUROBASES, LEXIS, NEXIS and others). The Advisory Committee reiterates the need to set guidelines for this purpose.

VIII.156. The Advisory Committee notes from paragraphs 27E.143 and 27E.144 of the proposed programme budget that conference services for the United Nations and UNIDO at the Vienna International Centre were managed jointly until 1 April 1995. Pursuant to General Assembly resolution 49/237 of 31 March 1995, unified conference services under United Nations management were established on 1 April 1995 on condition that, inter alia, the arrangements should be accomplished within existing resources.

VIII.157. The Advisory Committee notes the statement in paragraph 27E.178 that for 1998-1999 the most important objective for the Interpretation Section would be an experiment with remote interpretation. The Committee notes that the priority given this item seems to be higher than that being given in New York.

Committee also recommends that there be close coordination between the ems for remote interpretation to be introduced in New York, Geneva and na (see para. VIII.151 above).

.158. The Advisory Committee notes from paragraphs 27E.192 and 27E.196 that s envisaged that there will be a decrease in the work performed for UNIDO in -1999. Consequently, the abolition of eight posts at the P-3/P-4 level in slation services is envisaged as is a reduction of $1,886,900 for freelance f. In view of the financial situation of UNIDO, the Committee recommends the situation be carefully monitored to ensure that services delivered can overed by available resources.

Section 27F. Administration, Geneva

.159. As indicated in table 27F.1 of the proposed programme budget for the nium 1998-1999, the Secretary-General's estimate for section 27F amounts to ,814,100 before recosting, a decrease of $5,963,900 against the 1996-1997 opriations. This signifies a negative resource growth of 4.9 per cent. The sory Committee notes that the 1998-1999 estimates after recosting 2,860,100) are lower than the estimates before recosting ($114,814,100). On iry, the Committee was informed that the 1996 appropriation was based on an ange rate of 1.22 Swiss francs to the United States dollar; this had to be ght to the 1997 rate, which is 1.29 francs to the dollar.

.160. As indicated in table 27F.1 of the Secretary-General's proposed ramme budget, extrabudgetary resources are estimated at $15,378,500, lting in total resources and requirements for 1998-1999 at $128,238,600.

.161. As shown in table 27F.3, the regular budget post requirements for the nium 1998-1999 total 376 posts, a decrease of 45 posts from 421 in the nium 1996-1997. Although the Advisory Committee was not able to ascertain many of the posts proposed for abolition were vacant, it was informed that t 14 July 1997 there were 54 vacant posts overall (10 Professional and 44 eral Service). With regard to extrabudgetary posts, the Committee notes an rease of 1 post from 72 posts in the biennium 1996-1997 to 73 posts in the nium 1998-1999.

.162. The Advisory Committee notes from table 27F.2 that the reduction of osts represents a decrease of $3,973,200 in the estimates (before sting). The Committee was informed that the increase of $378,700 for eral temporary assistance from $4,853,500 in the biennium 1996-1997 to 32,200 in the biennium 1998-1999 was due mainly to requirements for acement of staff on extended sick leave and during peak workload periods, icularly as new systems in the information technology areas are introduced.

.163. The Advisory Committee also notes from table 27F.2 that general ating expenses have been reduced from $29,918,300 in the biennium 1996-1997 25,396,900 before recosting in the biennium 1998-1999. The Committee was rmed that of the total reduction of $4,521,400, $1.7 million relates to the sfer of resources to section 23, Protection of and assistance to refugees, he proposed programme budget in respect of rental formerly charged under ion 27F. The Committee was further informed that part of the reduction was due to the fact that negotiations with the Swiss PTT authorities are cted to be successful in obtaining lower and more favourable rates.

VIII.164. As indicated in the report of the Secretary-General on efficiency gains (A/51/873), an amount of approximately $5 million was realized in savings under section 27F. The Advisory Committee was informed that these savings were achieved by adopting a number of measures, including the suppression of 12 messenger posts and the use of e-mail and other facilities instead. With regard to other communications requirements, savings were achieved through negotiations with the Swiss PTT authorities for lower and more favourable rates and by eliminating the need for many clerical posts through better utilization of automation. Through automation of security systems, such as the use of electronic aids, video cameras and motion detectors, the administration eliminated the need for eight Security Officer posts, which are proposed for abolition. However, the Committee was informed that in view of a recent security situation, this issue will be reviewed.

VIII.165. The Advisory Committee was informed that whatever savings were achieved during the biennium 1996-1997 owing to adoption of the above-mentioned efficiency measures, were subsumed in achieving the reductions mandated by the General Assembly in its resolution 50/214 of 23 December 1995. Consequently, there were no actual resources or savings available for reprogramming or diverting to other activities.

VIII.166. The Advisory Committee notes from table 27F.2 that an amount of $4,738,500 (before recosting) has been shown against grants and contributions. The Committee notes from paragraph 27F.23 that of the total, an amount of $1,890,200 would provide for the United Nations Office in Geneva's share of the payment to ICC for the operation and maintenance of the mainframe, resources which were formerly budgeted under section 29, Jointly financed administrative activities. The Committee was informed that the United Nations Office at Geneva still uses ICC facilities for its payroll; however, this usage would decrease and ultimately cease once IMIS Release 4 was in place in Geneva, sometime in 1998. The Committee also understands that ICC services are utilized for other functions such as the computer help desk, e-mail and other programme functions. The Committee recommends that billing by ICC be refined to ensure that users are only charged for services they have received.

VIII.167. The Advisory Committee notes from paragraph 27F.39 that estimated requirements for the Joint Medical Service ($2,848,300), representing the share of the use of the Service by the United Nations Office at Geneva, are included in the total amount for grants and contributions.

VIII.168. With regard to the methodology for apportionment of medical costs, the Advisory Committee was informed that this provides for the share of each participating organization to be determined on the basis of statistics prepared by the Joint Medical Service on the actual usage of the Service by the different organizations broken down by items such as medical exams, x-rays and laboratory tests, vaccinations and nursing care and administrative work. The Committee was informed that the current United Nations share was 28 per cent. The percentage share of the workload is multiplied by the overall budget of Joint Medical Service to arrive at the dollar share of each participating organization in the total costs.

VIII.169. The Advisory Committee regrets the lack of uniformity in the presentation of the estimates for medical services in the proposed programme budget. While these estimates have been identified under grants and contributions in sections 27F, Administration, Geneva, and 27G, Administration, Vienna, of the proposed programme budget, the Committee notes that in section 27C, Office of Human Resources Management, medical services are indicated in a subprogramme, and in section 16, Economic and social development in Africa, these are shown under extrabudgetary resources, although the Service is run by the United Nations.

VIII.170. The Advisory Committee notes from paragraph 27F.7 that the resources requested for posts would include provision for a P-5 post as IMIS Coordinator in the Office of the Director of Administration, and one General Service (Other level) post to cover the functions of an IMIS help desk assistant. On enquiry, the Committee was informed that the IMIS help desk is responsible for providing assistance on a continuous basis to current users and is also responsible for training new users. In order to ensure continuous coverage, it is estimated that a minimum of two help desk assistants would be required. On enquiry, the Committee was informed that as of the spring of 1997 the help desk supported 213 registered IMIS users, of which 50 are on average logged into the system at the same time; the desk handles an average of 30 calls per day.

VIII.171. With regard to the help desk for other computer needs, the Advisory Committee was informed that the Electronic Services Section is supported by a supervisor at the G-7 level and three technicians (General Service (Other level) posts). The number of directly supported personal computers exceeds 500. In addition, the unit provides extended support for other help desk services regarding the network to all offices at the United Nations Office at Geneva, utilizing the campus-wide network of over 3,000 nodes. In addition, the help desk support function includes analysis of user needs, office automation application assistance and monitoring various services and connectivities. On enquiry, the Committee was informed that the industry standard for help desk personnel was 1:150 personal computers (see para. VIII.90 above).

VIII.172. The Advisory Committee notes from paragraph 27F.10 that the Financial and Electronic Resources Management Service comprises the Programme Planning and Budget Section, the Finance Section and the Electronic Services Section. The Committee notes that this combined structure is somewhat different from that in New York and Vienna, which makes it difficult to assess the volume and adequacy of related activities. The Committee was informed that for the biennium 1998-1999 the Electronic Services Section would comprise one P-5, one P-4, one P-3, five P-2, two General Service (Principal level) and 37 General Service (Other level) posts. The Committee was not able to determine how many of these posts related to information technology, nor was it possible to get a clear picture of technology initiatives from the information contained in paragraphs 27F.13 to 27F.15 of the proposed programme budget.

Section 27G. Administration, Vienna

VIII.173. As indicated in table 27G.1 of the proposed programme budget, the estimates for section 27G, Administration, Vienna, amount to $34,137,200, before recosting, reflecting a negative resource growth of $10,540,700, or 23.5 per cent. Extrabudgetary resources as shown in table 27G.1 amount to $1,364,600.

VIII.174. The Advisory Committee notes from table 27G.3 that a total of 86 posts has been requested for the biennium 1998-1999 against regular budget resources, compared with a total of 190 in 1996-1997. The Committee was informed that 19 posts are proposed to be abolished; of the 19, 8 General Service (Other level) posts are from the Support Section, while 11 General Service (Other level) posts are proposed to be abolished from the Security and Safety Section. The Advisory Committee was not able to ascertain how many of the 19 posts proposed for abolition were vacant. In addition, as indicated in paragraph 158 of the introduction to the proposed programme budget, "with the introduction of net budgeting for the Security and Safety Service, which is provided on behalf of and financed by all the organizations occupying the Vienna International Centre, all 96 posts currently in the section have been removed and 11 of them are scheduled for abolition". The Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that in 1996-1997 savings of $954,000 were achieved by restructuring the United Nations Security and Safety Service and the services its provides.

VIII.175. The Advisory Committee notes from paragraph 27G.2 that, within the United Nations Office at Vienna, the Division of Administrative and Common Services will continue to provide full administrative and conference services to the United Nations Secretariat units located at the Vienna International Centre. The Committee notes from paragraph 27G.3 that the secretariat of the Comprehensive Nuclear-Test-Ban Treaty Organization will establish its headquarters at the Vienna International Centre in 1997. The Committee further notes that while that organization would be obtaining administrative and conference services on a cost-reimbursement basis at a level expected to be higher than the services that had been rendered to UNRWA, no information has been included in the proposed programme budget for the biennium 1998-1999 regarding financial and other arrangements that would be required with the establishment of this secretariat.

VIII.176. However, the Advisory Committee was informed that the Comprehensive Nuclear-Test-Ban Treaty Organization has formally requested the United Nations Office at Vienna to provide security, garage space, communications, electronic data-processing and conference services and that arrangements were being worked out for the provision of such services against cost reimbursement, including overhead charges.

VIII.177. The Advisory Committee was informed that the arrangements for common and joint services in Vienna that had been in place since 1979 and were based on a tripartite agreement between IAEA, UNIDO and the United Nations, have changed to the extent that certain programmes have become increasingly difficult to maintain at the previous levels. For example, the common services for language training, following the departure of IAEA, became a joint service between the United Nations Office at Vienna and UNIDO, and following the departure of UNIDO from the service in July 1997, a United Nations Office at Vienna service only. The Committee was informed that reduced gross budgets for common/joint services have also had an adverse effect on managing such services, particularly when the workloads of the partners who are not operating the service are not reduced. The reduction in the gross budget for common services operated by the United Nations Office at Vienna had a deleterious effect on services to the United Nations, since budgetary reductions cannot be applied to objects of expenditure for common/joint services operated by IAEA or UNIDO and must therefore be spread over objects of expenditure which relate to the United Nations units only.

VIII.178. The Advisory Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that in addition to the savings of $954,000 in 1996-1997, which were achieved in the United Nations Office at Vienna by restructuring the United Nations Safety and Security Service, an amount of $810,000 is claimed to have been saved in 1996-1997 through full utilization of interpretation resources. According to the report, a further $444,000 savings was achieved in 1996-1997 through reduction in communications costs. The Committee also notes from the report that an additional amount of $4.046 million in savings for the biennium 1996-1997 has been indicated and an amount of

$1.28 million for the biennium 1998-1999 in respect of 103 projects, 63 per cent of which had been completed. The Committee requested further information on the projects, as well as the utilization of the savings achieved, including whether they were available for reprogramming. While the Committee was provided with further information on the savings achieved, it was unable to ascertain whether these had been subsumed by the reductions mandated in resolution 50/214.

Section 27H. Administration, Nairobi

VIII.179. As indicated in table 27H.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27H amounts to $10,165,500 before recosting, an increase of $252,100 against the 1996-1997 appropriations.

VIII.180. The extrabudgetary resources as shown in table 27H.1 are estimated at $16,754,400, resulting in total resources and requirements for 1998-1999 at $28,645,800.

VIII.181. The Advisory Committee notes from table 27H.1 an increase in extrabudgetary resources from $11,208,600 to $16,754,400. The Committee was informed that the additional resources represent amounts for posts included in the UNEP staffing table. The Committee sought additional information on the status of posts and the basis on which the extrabudgetary resources had been estimated. The Committee was informed that the resources were based on original commitments entered into by UNEP and the United Nations Centre for Human Settlements (Habitat) when the United Nations Office at Nairobi was established effective 1 January 1996 as a successor to the two separate divisions of administration of UNEP, Habitat and the United Nations Common Services at Nairobi, with the objective of the Office being to strengthen the United Nations presence in Nairobi and to achieve economies of scale.

VIII.182. However, since the establishment of the United Nations Office at Nairobi, the Office has faced a variety of problems related to its funding, management and relation with the other Secretariat units at Nairobi. These problems were commented upon extensively in a report by the Office of Internal Oversight Services (A/51/810, paras. 119-136). In particular, the Office of Internal Oversight Services concluded that "all in all, the team is of the opinion that so far the development of the United Nations Office at Nairobi has not demonstrated any tangible progress towards the attainment of the primary objective behind its establishment, namely, strengthening the United Nations presence at Nairobi and providing quality services to its clients while securing substantial savings". The Office of Internal Oversight Services requested that the Department of Administration give this matter its immediate attention by ensuring that the authority delegated to the United Nations Office at Nairobi is being properly exercised and by determining whether the staffing of the Office and sources of funding are adequate for the efficient discharge of the functions delegated to it.

VIII.183. The Advisory Committee sought additional information on the implementation of the recommendations of the Office of Internal Oversight Services, in particular those contained in paragraph 136 of its report (A/51/810), but did not receive a response.

VIII.184. As indicated in table 27H.3 of the proposed programme budget, the number of regular budget posts proposed for the biennium 1998-1999 is the same as that in the biennium 1996-1997. However, the Advisory Committee was informed that of the total 110 regular budget posts as at 15 July 1997, there were only 2 vacant posts in the Field Service category.

VIII.185. As indicated in paragraph 27H.26, the Secretary-General has proposed to redeploy two Field Service posts from Support Services Service to the Electronic Services Service and reclassify them at the P-3 level. The Advisory Committee was informed that these Field Service posts currently accommodate telecommunications technicians and that at their proposed reclassified level, the incumbents would provide administration, management and maintenance of LAN and wide area network (WAN) at the United Nations compound at Gigiri. The estimated requirement of $358,000 relates to the cost of the two P-3 posts.

VIII.186. The Advisory Committee notes from table 27H.14 that an amount of $7,866,200 of which $6,229,700 represents extrabudgetary resources, is estimated for conference services. The Committee further notes from paragraph 27H.28 that as from 1997 UNEP will have ceased to contribute United Nations Environment Fund resources for core institutional support of the Conference Services Service. Instead, such costs would be budgeted under operational programme budgets of its main offices. Accordingly, the Service would be primarily financed by resources made available to it by substantive users on a charge-back basis.

VIII.187. The Advisory Committee discussed the implications of that procedure with representatives of the Secretary-General and of the United Nations Office at Nairobi. The Committee was informed that there was little experience in the Secretariat with the operation of the charge-back system. It was also informed that resources for conference services were supposed to be allocated to cost centres under the responsibility of each programme manager. The latter would then individually request services from the United Nations Office at Nairobi by advancing resources to that Office. The Committee understands that with the new procedure there would be nothing to prevent a programme manager from retaining the option to request services from another United Nations entity or even a non-United Nations institution. The Committee points out that unless adequate preparation is made for the introduction of the charge-back system with due regard to operational difficulties, the effect of this procedure on the nature of the United Nations activities and the accounting and administrative costs involved would far outweigh whatever benefit this procedure is intended to achieve. The Committee also draws particular attention to paragraphs 127 to 129 of the report of the Office of Internal Oversight Services on the review of the administrative practices of the UNEP secretariat, including the United Nations Office at Nairobi (A/51/810), and the comments and recommendation of the Advisory Committee in chapter I.

VIII.188. With regard to electronics services, the Advisory Committee notes from paragraph 27H.25 that the functions related to LAN and WAN would be gradually transferred from UNEP to the United Nations Office at Nairobi towards the end of 1997. In this connection, the Committee notes that the Office of Internal Oversight Services in its report observed that there was a degree of incompatibility between the United Nations and UNEP systems (A/51/810, para. 133). The Committee sought additional information on what action had been taken to rectify the situation but did not receive a response.

VIII.189. The Advisory Committee notes from paragraph 27H.18 that an estimate of $272,700 under other staff costs relates to general temporary assistance for 12 security officers. The Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[62] it had noted that 12 security and safety positions had been proposed for continuing funding under general temporary assistance and that a proposal for their conversion into posts would be considered in the context of a review of the Security and Safety Service which was under way at that time. The Committee had requested the Secretary-General to identify in the next proposed programme budget such temporary positions, which would have been continuously funded from general temporary assistance. The Committee was informed that since the experience of the United Nations Office at Nairobi was limited owing to the fact that it had been established effective 1 January 1996, it was not considered prudent/practical to convert these positions to posts at the present time. The Committee was not able to ascertain the length of time during which these positions had continued to be maintained under general temporary assistance.

VIII.190. In view of the uncertainty regarding funding for the United Nations Office at Nairobi, and especially since the Advisory Committee was informed that if funds were not realized some posts would have to be discontinued, the Committee enquired as to the arrangements in place in case the Office was required to pay termination indemnity to staff it was unable to reassign. The Committee did not receive a reply.

PART IX. INTERNAL OVERSIGHT

Section 28. Office of Internal Oversight Services

IX.1. As indicated in paragraph 28.1 of the proposed programme budget, the Office of Internal Oversight Services was established in September 1994 pursuant to General Assembly resolution 48/218 B of 29 July 1994.

IX.2. As can be seen from tables 28.1 and 28.2 of the proposed programme budget, the total level of regular budget resources proposed is $17,548,800 before recosting, an increase of $2,537,300, which signifies a rate of growth of 16.9 per cent. This is mainly the result of full budgeting of posts established in 1996-1997. Extrabudgetary resources as reflected in tables 28.1 and 28.2 amount to $7,839,200, an increase of $1,285,400. The Advisory Committee requested and received comprehensive details of resources pertaining to the audit of peacekeeping operations, funds and programmes. This is shown in the table below.

Office of Internal Oversight Services

Extrabudgetary resources: breakdown by source of funds and object of expenditure

(Thousands of United States dollars)

	Object of expenditure											
	Posts		Other staff costs		Travel		General operating expenses		Furniture and equipment		Total	
Source of funds	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates
Services in support of:												
(a) United Nations organizations												
Support for extrabudgetary administrative structures	312.2	264.7				40.0					312.2	304.7
United Nations Joint Staff Pension Fund			327.5	336.2							327.5	336.2
International Trade Centre	196.3	196.3									196.3	196.3
Office of the United Nations High Commissioner for Refugees	1 844.4	2 990.3									1 844.4	2 990.3
Total (a)	2 352.9	3 451.3	327.5	336.2	0.0	40.0	0.0	0.0	0.0	0.0	2 680.4	3 827.5
(b) Extrabudgetary activities												
Support to extrabudgetary substantive activities												
Programme support costs of extrabudgetary substantive activities	665.4	636.3									665.4	636.3
Fund of the United Nations International Drug Control Programme	285.9	306.6			60.0	70.0					345.9	376.6
Subtotal	951.3	942.9	0.0	0.0	60.0	70.0	0.0	0.0	0.0	0.0	1 011.3	1 012.9
Technical cooperation activities												
Extrabudgetary technical cooperation reimbursement resources	565.9	546.0			16.5	98.0					582.4	644.0
Peacekeeping cooperation activities												
Support account for peacekeeping operations	2 279.7	2 330.4						15.4		9.0	2 279.7	2 354.8
Total (b)	3 796.9	3 819.3	0.0	0.0	76.5	168.0	0.0	15.4	0.0	9.0	3 873.4	4 011.7
Total (a) and (b)	6 149.8	7 270.6	327.5	336.2	76.5	208.0	0.0	15.4	0.0	9.0	6 553.8	7 839.2

The Committee requests that future budget submissions clearly indicate and identify the above resources and expenditures.

IX.3. The Advisory Committee was provided with the following information in relation to estimated travel expenditures pertaining to peacekeeping operations, funds, programmes and other entities:

Estimated travel expenditures, 1996-1997

	(United States dollars)
ITC (Investigations)	4 300
UNRWA (Investigations)	35 300
UNDP (Investigations)	30 800
UNICEF (Investigations)	10 000
Tribunal/Former Yugoslavia (Investigations)	10 000
Tribunal/Rwanda (Investigations/audit)	49 500
Peacekeeping missions (Investigations)	64 982*
Peacekeeping missions (Audit and management consulting) (Estimates for one year)	125 900**

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* Includes travel costs for one Legal Officer to assist in investigative cases.

** Is included in the budget of individual peacekeeping missions.

IX.4. With regard to requirements for travel, the Advisory Committee notes that an amount of $780,900 before recosting has been proposed for the biennium 1998-1999 under regular budget resources, representing an increase of 43.4 per cent over the biennium 1996-1997. In addition, as indicated in table 28.2, requirements under extrabudgetary resources are shown as $208,000 for travel during the biennium 1998-1999 compared with an estimate of $76,500 for the biennium 1996-1997.

IX.5. As indicated in table 28.3 of the proposed programme budget, the total number of regular budget posts proposed for the biennium 1998-1999 is 82, representing an increase of eight regular budget posts as compared with the total of 74 posts for the biennium 1996-1997. The Advisory Committee notes that the seven temporary posts funded under the regular budget during 1996-1997 are no longer proposed to be continued as temporary posts but are proposed to be converted to established posts. As indicated in table 28.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 34, representing an increase of four extrabudgetary posts as compared with the total of 30 posts for the biennium 1996-1997.

IX.6. The Advisory Committee was informed that during 1996-1997 resources for three posts had been allocated for the appointment of resident auditors in peacekeeping operations and that the estimated costs of salaries for the three posts (P-4, P-3, P-2) totalled $341,600. In addition, estimated travel costs to and from missions for audit assignments totalled $22,300. The costs of resident auditors are charged to the relevant peacekeeping operations.

IX.7. The Advisory Committee notes from footnote a to table 28.3 that during the biennium 1996-1997 three gratis personnel on non-reimbursable loan have been contributed at the P-4/3 level and that it was anticipated that during 1998-1999, one of these would continue to be contributed. The Committee recalls the provision of General Assembly resolution 51/243 of 15 September 1997 to phase out expeditiously type II gratis personnel. In this connection, the Committee draws attention to its report on gratis personnel (A/51/813) and the comments it has made on the use of gratis personnel in procurement services; in the case of the Office of Internal Oversight Services, the Committee firmly believes that the practice of using gratis personnel is not appropriate and should be avoided.

IX.8. The Advisory Committee notes from footnote c to table 28.3 that extrabudgetary funds for 34 posts would be provided to the Office of Internal Oversight Services during the biennium 1998-1999 by the different funds and programmes, including by the support account for peacekeeping operations. The Committee also notes that, while the total number of such posts during the biennium 1996-1997 was also 34, four of those posts were on non-reimbursable loan from UNHCR in addition to funding provided for seven other posts by UNHCR.

IX.9. The Advisory Committee notes from table 28.2 that, in addition to the regular budget and extrabudgetary posts, an amount of $200,200 before recosting has been proposed for consultants and experts. Information provided to the Committee on the use of consultants indicates, inter alia, that 9 of the 10 consultants hired during 1995, 1996 and 1997 were of the same nationality. In this connection, the Committee recalls General Assembly resolution 51/226 of 3 April 1997, in which the Assembly endorsed the recommendation of the Committee that the Secretariat resume the past practice of submitting, on a biennial basis and in cooperation with the report requested by the Committee on the hiring of retired staff, a report on the hiring and use of consultants, following the format of past reports on the subject.

IX.10. The Advisory Committee notes from paragraph 28.7 of the proposed programme budget that the Office of Internal Oversight Services has established an administrative unit within the Office of the Under-Secretary-General. This unit is responsible for personnel and financial administration and planning and utilization of resources for the office. The proposed staffing would comprise one post at the P-4 level and one General Service post, which are currently in the unit, one P-3 post to be redeployed from the Central Evaluation Unit, and the conversion of one temporary post at the General Service (Principal level) to an established post.

IX.11. The Advisory Committee recalls that the General Assembly, in its resolution 50/239 of 7 June 1996, reaffirmed that procedures for recruitment and promotion applied to personnel of the Office of Internal Oversight Services should be consistent with those applied to the Secretariat. In this connection, the Committee was informed that panels for appointment and promotion have been established in the Office and consist of one representative of the Department of Administration and Management, one representative of the Office of Human Resources Management, and one staff representative and one management representative of the Office of Internal Oversight Services.

IX.12. The Advisory Committee was provided with an organizational chart showing the structure of the Office of Internal Oversight Services in New York. The Committee received information regarding the additional units at Geneva and Nairobi, as well as the resident auditors located at various sites in peacekeeping missions.

IX.13. The Advisory Committee trusts that the structure for the Office of Internal Oversight Services will not become too elaborate and that procedures will be in place for the coordination of the various units with a view to promoting greater efficiency.

IX.14. The Advisory Committee notes from paragraph 28.13 of the proposed programme budget that requirements for the maintenance of office automation equipment for all Office units had been centralized under the Office of the Under-Secretary-General. On enquiry as to the type of automated equipment, the Committee was informed that a project tracking and reporting system had been introduced which enables the Office to monitor the progress and resource allocation of assignments in its four units; prior to the introduction of the system, a time tracking database was used in the Audit and Management Consulting Division for administrative purposes only. While the project tracking and reporting system essentially builds on that database, it had expanded and standardized the database for the entire Office to provide essential management information components. The Committee welcomes this initiative.

IX.15. The Advisory Committee was informed by the Under-Secretary-General for the Office of Internal Oversight Services that guidelines are being prepared to facilitate self-evaluation and monitoring. The Committee trusts that the implementation of these guidelines will ensure the avoidance of duplication among the evaluation, inspection and monitoring subprogrammes of the Office. The Committee trusts that the new guidelines will also help the Office to assess the continuing validity of its recommendations.

IX.16. The Advisory Committee notes that total resources for the Audit and Management Consulting Division of the Office of Internal Oversight Services, as shown in table 28.8, are $16,469,600. In addition, the Committee requested but did not receive information on the resources provided for audit purposes by peacekeeping operations.

IX.17. The Advisory Committee was provided with information regarding the number of audit reports as well as other reports to the General Assembly in addition to audit memoranda and observations issued during the period from 1995 to 1997:

Number of reports produced by the Audit and Management Consulting Division in 1995, 1996 and 1997

Audit reports

1995	33
1996	51
1997	26

Reports to the General Assembly

1995	4
1996	5
1997	5

In addition, a large number of audit memoranda and audit observations have been issued, as indicated below:

	Audit memoranda	Audit observations
1995	39	278
1996	33	303
1997	12	103

IX.18. The Advisory Committee notes from paragraph 28.36 of the proposed programme budget that included in the audit activities planned for 1998-1999 are audits of the EDP Unit and IMIS. The Committee was informed that for 1996-1997, six EDP audits had been completed, six were in progress and four had been completed as at 17 June 1997. The Committee welcomes this given the increased use of technological developments.

IX.19. The Advisory Committee was informed that, during 1994, 110 cases were investigated and 100 of these were closed; during 1995, of the 165 cases investigated, 137 were closed; during 1996, there were 191 cases, of which 177 were closed, and in the first three months of 1997, there were 22 cases being investigated. As can be seen from this data, the workload of cases peaked in 1996. The recommendations for corrective action to prevent incidents of fraud or waste, together with greater accountability being called for, may result in a diminution of the caseload. However, it is not really possible to predict the incidence of fraud, waste of resources, abuse of authority, mismanagement and misconduct; nor is it possible to predict the workload of each and every case or the personnel required. Nevertheless, given the progress made by the Office of Internal Oversight Services, the Committee believes that a forecast of 450 additional cases, as indicated in paragraph 28.64 (i) of the proposed programme budget, seems high. The Committee believes that if the forecasted number is not realized and there continues to be positive developments in this area, then savings should be achieved.

IX.20. With regard to the work of the Investigations Section, the Advisory Committee notes the Manual that governs the operating procedures of the Section. The Committee trusts that with respect to investigations and action taken, the Secretary-General will bear in mind General Assembly resolution 48/218 B, in particular paragraph 7, requesting him, inter alia, to ensure that procedures are in place to ensure due process for all parties concerned and fairness during an investigation.

PART X. JOINTLY FINANCED ADMINISTRATIVE ACTIVITIES AND SPECIAL EXPENSES

X.1. The Secretary-General's estimate for part X, Jointly financed administrative activities and special expenses, amounts to $59,949,600, comprising $6,228,800 for jointly financed administrative activities (section 29) and $53,720,800 for special expenses (section 30).

Section 29. Jointly financed administrative activities

X.2. Provisions under this section are requested for six bodies of the United Nations financed on an inter-agency basis:

(a) The International Civil Service Commission (ICSC) and its secretariat;

(b) The Joint Inspection Unit and its secretariat;

(c) The United Nations share in the budget of the secretariats of subsidiary bodies of the Administrative Committee on Coordination: the Information Systems Coordination Committee, the Consultative Committee on Administrative Questions and the Consultative Committee on Programme and Operational Questions;

(d) The International Computing Centre.

X.3. The Advisory Committee was provided with the following table, which contains the indicative shares of participating organizations in the costs of jointly financed bodies for 1996-1997 which are reviewed by the Administrative Committee on Coordination. Under the formula utilized, the cost of ICSC and the secretariats of the Consultative Committee on Administrative Questions and the Information Systems Coordination Committee are apportioned each biennium on the basis of the number of staff with fixed-term or longer contracts at the close of the preceding biennium. The costs of the Joint Inspection Unit and the secretariat of the Consultative Committee on Programme and Operational Questions are apportioned on the basis of expenditure, excluding that related to peacekeeping, expenditures in-kind and 50 per cent of the expenditure of the International Trade Centre corresponding to the World Trade Organization's share.

Percentage shares of participating organizations in the costs of jointly financed bodies in 1996-1997

	International Civil Service Commission[a]	Joint Inspection Unit	Consultative Committee on Programme and Operational Questions	Consultative Committee on Administrative Questions[a]	Information Systems Coordination Committee[a]
United Nations[b]	28.69	20.93	20.93	28.69	27.37
United Nations Relief and Works Agency for Palestine Refugees in the Near East[c]	0.26	2.69	2.69	0.26	0.25
Office of the United Nations High Commissioner for Refugees[c]	6.52	12.42	12.42	6.52	6.22
United Nations Children's Fund	8.46	11.07	11.07	8.46	8.07
United Nations Development Programme	9.76	8.91	8.91	9.76	9.31
United Nations Population Fund	1.34	2.64	2.64	1.34	1.28
World Food Programme	2.75	7.20	7.20	2.75	2.62
International Labour Organization	5.22	3.92	3.92	5.22	4.98
Food and Agriculture Organization of the United Nations	9.25	6.77	6.77	9.25	8.82
United Nations Educational, Scientific and Cultural Organization	4.74	3.58	3.58	4.74	4.52
International Civil Aviation Organization	1.63	1.10	1.10	1.63	1.56
World Health Organization	9.64	8.50	8.50	9.64	9.20
International Monetary Fund	-	-	-	-	4.58
Universal Postal Union	0.34	0.32	0.32	0.34	0.33
International Telecommunication Union	1.42	1.60	1.60	1.42	1.36
World Meteorological Organization	0.59	0.74	0.74	0.59	0.57
International Maritime Organization	0.59	0.40	0.40	0.59	0.56
World Intellectual Property Organization	0.90	1.02	1.02	0.90	0.86
International Fund for Agricultural Development	0.58	-	-	0.58	0.55

	International Civil Service Commission[a]	Joint Inspection Unit	Consultative Committee on Programme and Operational Questions	Consultative Committee on Administrative Questions[a]	Information Systems Coordination Committee[a]
United Nations Industrial Development Organization	2.83	2.37	2.37	2.83	2.70
International Atomic Energy Agency	3.70	3.79	3.79	3.70	3.53
World Trade Organization	0.80	-	-	0.80	0.76

[a] Shares for ICSC, the Consultative Committee on Administrative Questions and the Information Systems Coordination Committee are provisional, based on end-1994 staff data, and are subject to change when end-1995 data become available.

[b] United Nations figures include ICSC, the International Court of Justice, the United Nations University, the International Trade Centre and the United Nations Institute for Training and Research.

[c] Figures have previously been included in United Nations totals. The share hitherto attributed to the United Nations is to be apportioned between the United Nations and the Office of the United Nations High Commissioner for Refugees and the United Nations Relief and Works Agency for Palestine Refugees in the Near East in a manner to be determined among them.

X.4. The Advisory Committee notes that, in previous presentations, the total resources for ICSC and the Joint Inspection Unit were requested under the present section on a gross basis and that reimbursement from other participating organizations was credited under income section 2. In respect of the three secretariats of the Administrative Committee on Coordination and the International Computing Centre, only the United Nations share of the total budget estimates was requested under section 29. However, in the current presentation, contained in the proposed programme budget for the biennium 1998-1999 (sect. 29), this concept has been extended to ICSC and the Joint Inspection Unit, as only the United Nations shares have been requested for appropriation even though the full budgets are shown.

X.5. The Advisory Committee, in its report on the proposed programme budget outline (A/51/720, para. 7), while indicating that it had been informed that the change in presentation would not affect the way in which resources for those entities were administered, recommended that the Secretary-General seek approval, prior to submission of the proposed programme budget, by way of a policy paper detailing implications, if any, with respect to the statutes of these entities. This has not been done.

X.6. The Advisory Committee was informed by the Secretariat that current procedures would not be changed. It believes, however, that the proper arguments for a change in the budget methodology should have been presented. Furthermore, the Committee was informed that the Secretariat would allot the full amount of the approved budgets of ICSC and the Joint Inspection Unit while awaiting receipt of funds from the participating agencies. The Committee questioned the basis for committing funds that may not have been received and requested information on the timing of collections from the agencies for the 1994-1995 and 1996-1997 budgets. The Committee was informed that for 1998-1999 the Programme Planning and Budget Division would request the Accounts Division to revert to the previous system of billing, whereby the organizations would be billed initially on the basis of the approved budgets of those activities, and adjustments would be made on the basis of actual expenditures. The comments and recommendations of the Committee on net budgeting are contained in paragraphs 43 to 45 of chapter I.

A. International Civil Service Commission

X.7. The Advisory Committee notes from table 29.4 that ICSC expenditures for the biennium 1998-1999 are estimated at $10,919,200 before recosting, showing a resource reduction of $179,800 as compared with appropriations for 1996-1997. The proposed number of established regular posts at ICSC is 44 (20 Professional and 24 General Service posts), reflecting the reduction of one P-3 and one General Service post. The Committee was informed upon enquiry that, as at May 1997, there were six vacancies at ICSC (5 Professional and one General Service post).

X.8. A resource growth of 47.3 per cent over 1996-1997 appropriations is shown for contractual services, from $17,100 to $25,200 before recosting. In this connection, the Committee notes that $10,800 is included for training of staff in computer software, which is normally done on-site, and for specialized courses in human resources development and salary administration, among others, at universities and other institutions, which are important for maintaining the technical expertise of the staff.

X.9. As indicated in paragraph 29.32 of the proposed programme budget, the United Nations share in the total budget of ICSC, using 1996-1997 rates, would be 28.73 per cent of the full amount, hence $3,137,100.

B. Joint Inspection Unit

X.10. Table 29.7 of the proposed programme budget for the Joint Inspection Unit shows that the estimate for 1998-1999 amounts to $9,153,200 before recosting, reflecting a $190,000 resource reduction when compared to the 1996-1997 appropriations.

X.11. The Advisory Committee notes from table 29.8 that the proposed number of established regular posts for the Joint Inspection Unit is 19 (10 Professional and 9 General Service posts). This includes the establishment of three posts at the Professional level - a P-4 research officer, a P-2 associate research officer and a P-3 information technology officer - to help develop the information and documentation capacity of the Unit. This increase is to be offset, as indicated in paragraph 29.41 of the budget estimates, by the abolition of two posts: a P-5 senior research officer and a General Service management analysis assistant. The Committee was informed that as at May 1997 there were no vacancies at the Joint Inspection Unit. The Committee recommends acceptance of this proposal.

X.12. The Advisory Committee notes a resource growth of $22,300 compared to 1996-1997 appropriations for general operating expenses. The Committee was informed this resulted from higher requirements under communications. Previous appropriations had proved insufficient even though the Unit has introduced and applied internal controls in Geneva and New York. This increase in communication requirements, along with the net increase of one post, is met by reductions in estimates for travel, temporary assistance and consultants.

X.13. The Advisory Committee, in its first report on the proposed programme budget for the biennium 1996-1997,[63] and the General Assembly, in paragraph 62 of part III of its resolution 50/214 of 23 December 1995, requested the Joint Inspection Unit to review its practice of allocating travel funds so as to ensure their most efficient use. The Committee notes, as indicated in paragraph 29.40 of the proposed programme budget, that the Unit established a new system of allocating travel funds in accordance with specific studies and activities related to the implementation of its approved programme of work. The Committee also notes, however, that the allocation among categories contained in paragraph 29.40 is indicative only, since once the work plan is finalized, on an annual basis, the travel requirements are allocated among the specific needs. The Committee was further informed that travel expenditure had been streamlined through a combination of modalities, such as travel for more than one report, for presentation of one report and preparation of others and an increase in the use of telecommunications facilities and on-line links to information sources as a partial alternative to travel.

X.14. Requirements for general temporary assistance have been reduced by 50 per cent, to $28,900. The estimate for consultants and experts, which is to cover the provision of special technical advice to the Inspectors, has been reduced by 66 per cent to $14,500. As for the provision of $10,800 for specialized training for the staff of the Unit as indicated in paragraph 29.43 of the proposed programme budget, the Committee notes that although resources are requested under the Unit, the programme is administered by the Office of Human Resources Management.

X.15. As indicated in paragraph 29.47 of the proposed programme budget, the United Nations share in the total budget of the Unit, using 1996-1997 rates, would be 20.93 per cent, or $1,915,800.

C. Information Systems Coordination Committee

X.16. The Advisory Committee notes from paragraphs 29.50 and 29.51 of the proposed programme budget that the Information Systems Coordination Committee proposals were reviewed by the Consultative Committee on Administrative Questions in February 1997. The total budget of the Information Systems Coordination Committee for 1998-1999 amounts to $1,537,100 before recosting and, based on the 1996-1997 agreed cost-sharing formula, the United Nations share amounts to 27.40 per cent, or $421,200. The provision of staff resources covers one D-1 post for the Secretary of the Committee and one General Service post.

D. Consultative Committee on Administrative Questions

X.17. The proposed budget for the Consultative Committee on Administrative Questions for 1998-1999, reviewed by that Committee in February 1997, amounts to $1,585,800 before recosting. The United Nations share, at the 1996-1997 rates, amounts to 28.73 per cent, or $455,600. The provision for staff resources covers two D-1, one P-5 and two General Service posts. A third existing General Service post is to be abolished for the coming biennium.

E. Consultative Committee on Programme and Operational Questions

X.18. Resources requested for the Consultative Committee on Programme and Operational Questions for 1998-1999 amount to $947,600 before recosting. Staff resources include two Professional posts (one D-1 and one P-4/3) and one General Service post. The Committee notes, as indicated in paragraph 29.91 of the proposed programme budget that the United Nations share amounts to 20.93 per cent of the total, or $198,300.

F. International Computing Centre

X.19. Resource requirements for the International Computing Centre for 1998-1999 are estimated at $9,661,000. As shown in table 29.20 of the proposed programme budget, estimated expenditures for 1996-1997 amount to $5,961,500. As indicated in paragraph 29.97, the United Nations ceased to operate its mainframe facility in New York and started using the Centre's facilities in Geneva as at April 1997. This accounts for most of the increase in resource requirements. The United Nations share of the costs for the services of the Centre is estimated at $2.6 million for the coming biennium.

Section 30. Special expenses

X.20. The Secretary-General's estimate for section 30, Special expenses, for 1998-1999 amounts to $47,433,700 before recosting, reflecting a resource growth of $6,083,300 compared with appropriations for 1996-1997. The Advisory Committee notes that the increase is mostly attributable to bank charges, pension payments to former Secretaries-General and after-service health insurance.

X.21. As shown in table 30.3 of the proposed programme budget, it is estimated that after-service health insurance will increase from $36,781,900 in 1996-1997 to $41,878,200 for 1998-1999, before recosting. The Advisory Committee notes, as indicated in paragraph 30.6, that this requirement is based on an anticipated 7 per cent annual increase in membership in the programme for the coming biennium and the assumption that 89.8 per cent of the total subsidy is attributable to the regular budget and 10.2 per cent to extrabudgetary accounts. Furthermore, the Committee was informed upon enquiry that various factors had been taken into consideration in preparing those estimates: lower mortality rates, advances in medical technology, the growth in medical delivery costs at Headquarters and overseas, and so on. To illustrate this trend, the Committee was informed that at the end of 1996 there were 3,560 participants in the programme at Headquarters; 3,988 are estimated for 1997, 4,285 for 1998 and 4,581 for 1999.

X.22. In its resolution 38/235 of 20 December 1983, the General Assembly established a maximum cost-sharing ratio of 2 to 1 between the Organization and the participants in the health insurance programme. Accordingly, the organizational subsidy applied to health insurance plans for Headquarters staff and retirees residing in the United States was set at 66.7 per cent of the total premium cost of the plans concerned. The Committee was further informed that prior to the adoption of this arrangement, the sharing ratio had been 50/50 at Headquarters and other duty stations. The ratio continues to be 50/50 at non-Headquarters duty stations.

X.23. In response to further queries regarding cost-containment measures, the Committee was informed that as at 1 July 1997, the Organization would no longer offer a pure indemnity plan but rather two health maintenance organizations and two preferred-provider organization plans. Retirees would have access to a preferred-provider organization structure under which participants receive medical treatment from a network of physicians and other providers contracted by the insurer to accept a schedule of negotiated fees for services lower than the traditional fee-for-service charges. The result should decrease overall medical insurance costs by 14 per cent.

X.24. In its first report on the proposed programme budget for the biennium 1996-1997,[64] the Advisory Committee noted that at the time an actuarial study was being carried out to assess the future viability of the health insurance scheme. Furthermore, the Board of Auditors, in the financial report and audited financial statements for the biennium ended 31 December 1995 and report of the Board of Auditors,[65] indicated that, on the basis of that study, the Organization's liability as at 1 January 1995 for after-service health insurance benefits covering all participants, regardless of funding source, stood at $1,062,456,000.

X.25. In view of the above, the Advisory Committee recommends that the long-term implications and impact of this growth upon the Organization should be addressed, on a system-wide basis, in a report by the Secretary-General, along with practical indications of how the Secretariat intends to address the issue.

X.26. Regarding pension payments to former Secretaries-General, the Advisory Committee notes from table 30.10 of the proposed programme budget that estimated requirements have increased from $420,500 during 1996-1997 to $624,000 for 1998-1999 before recosting.

X.27. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997,[66] it had requested the Secretary-General to take the necessary steps to secure reduced bank charges, in view of the considerable level of United Nations funds handled by the banks in question. The Committee also notes, as shown in table 30.6 of the proposed programme budget for 1998-1999, that requirements for the coming biennium are estimated at $1,084,100 before recosting - an increase of 531 per cent over 1996-1997 appropriations.

X.28. In this regard, the Advisory Committee was informed that the Organization had established a new cash concentration system banking arrangement after an extensive competitive bidding exercise launched in 1994. The previous arrangement, as indicated in paragraph 30.13, while charging artificially low banking fees also provided sub-market rates of interest. However, the Committee was informed that, under the new arrangement, any balance left at the end of the day in a cash concentration sub-account automatically earns an institutional rate of interest. Market rates of interest are earned on all balances in each of the 158 sub-accounts. As at 31 December 1996, 549 bank accounts, including the 158 sub-accounts of the cash concentration system, have been maintained at 172 financial institutions. For the biennium 1998-1999, the Secretariat estimates that banking charges for the regular budget will be partially offset by $640,000 in interest to be earned through this system. In this connection, the Committee was informed that if Member States were to pay their assessments in full and on time, the amount of interest earned could be increased by $25 million per year.

PART XI. CAPITAL EXPENDITURES

Section 31. Construction, alteration, improvement and major maintenance

XI.1. Part XI of the proposed programme budget for the biennium 1998-1999 covers section 31, Construction, alteration, improvement and major maintenance, for which an estimate of $35,893,400 is proposed. No extrabudgetary resources are included in this part of the proposed programme budget.

XI.2. Resource requirements under section 31 ($35,893,400) reflect a net resource growth of $5,421,000, or 18.9 per cent, compared with the 1996-1997 revised appropriations. The total of $35,893,400 comprises resource requirements for the following two programmes: (a) alteration and improvement ($13,591,600) and (b) major maintenance ($22,301,800). The net growth of $5,421,000 reflects the combined effect of an increase of $6,333,800 under major maintenance and a decrease of $912,800 under alteration and improvement.

XI.3. The Advisory Committee points out that the proposed requirements of $35.9 million (at 1998-1999 rates) for alteration, improvement and major maintenance, although somewhat higher than the related appropriations for the current biennium ($28.6 million), are nominally comparable to the expenditures for these activities during the previous two bienniums: $36.2 million in 1994-1995 and $35.3 million in 1992-1993; in real terms, taking into account inflation, the proposed requirements reflect a decrease in resources for buildings management compared to the 1994-1995 and 1992-1993 bienniums.

XI.4. The Advisory Committee is of the view that it is important that the budget submissions for alteration, improvement and major maintenance be related to some objective standards. The Committee recommends that future budget submissions for alteration, improvement and major maintenance indicate the value of United Nations-owned buildings. The Committee requests that the Secretary-General indicate in future proposed programme budget submissions a comparison between United Nations and industry standards for the cost of maintenance vis-à-vis the value of buildings.

XI.5. As reflected in paragraph 31.2 of the proposed programme budget, the activities relating to buildings management are undertaken at Headquarters by the Buildings Management Service, Office of Conference and Support Services, and outside Headquarters by the Division of Administration at the United Nations Office at Geneva, the Division of Administration and Common Services at the United Nations Office at Vienna, the Division of Administrative Services at the United Nations Office at Nairobi and the divisions of administration at the regional commissions; although buildings management activities are undertaken individually by those units, that portion of resources requiring capital expenditures is included in the present budget section in order to ensure a coordinated and systematic approach to problems of common concern related to facilities management, major maintenance and construction. Furthermore, as indicated in paragraph 31.3 of the proposed programme budget, one of the objectives of buildings management is to plan, in particular for offices away from Headquarters, new facilities and technical installations required for intergovernmental and inter-agency meetings and conferences.

XI.6. At the same time, the Advisory Committee notes that Headquarters will no longer provide an integrated and coordinated management policy and guidelines on space and master development plans to locations outside Headquarters, services previously provided by the Overseas Property Management and Construction Unit (see para. 31.2 of the proposed programme budget). Moreover, the Committee recalls that in paragraph XI.21 of its first report on the proposed programme budget for the biennium 1996-1997,[1] the Committee enquired into the role of Headquarters vis-à-vis offices away from Headquarters with regard to the coordination of building maintenance policies and requested the Secretary-General to clarify the matter in his next budget submission. The Committee notes with concern that this request was not addressed in the budget submission. The Committee was informed, upon enquiry, that the Unit had originally been established at the time of active construction activity within the Organization and had provided considerable assistance, including staff resources. However, in view of the completion of the construction projects at Bangkok and Addis Ababa, temporary resources associated with the Unit have been proposed for release during the biennium 1998-1999. Within existing resources, the Buildings Management Service may provide limited guidance, however not at the level previously rendered by the Unit. In this connection, the Committee points out that it considers it very important that Headquarters continue to play, during the biennium 1998-1999, a central role on issues of maintenance of buildings owned by the United Nations, of which many, because of age, will require major maintenance.

XI.7. All staff requirements relating to the implementation of the activities programmed under part XI are included under section 27, Administrative services. The budget proposal under section 27 provides, inter alia, for the abolition at Headquarters of 18 posts in the Trades and Crafts category and one P-5 and seven General Service posts; the P-5 post and one of the General Service posts are temporary posts formerly performing the functions related to overseas property management, including oversight of the construction projects at Bangkok and Addis Ababa. The Advisory Committee was informed that the abolition of the Trades and Crafts posts is the result of greater reliance on outsourcing. On the question of outsourcing, the Committee refers to its comments in paragraph VIII.72 of the present report on the need to establish criteria to determine services to be contracted out. The Committee also recalls the comments of the Office of Internal Oversight Services in its report on the review of outsourcing practices at the United Nations (A/51/804) on the need to conduct a cost-benefit study on the subject. The Committee stresses the need for resorting to outsourcing only on the basis of a thorough cost-benefit analysis and with due regard to considerations of security and safety at United Nations buildings; moreover, in order to ensure and enhance the institutional memory in the area of buildings management, a proper balance should be maintained between staff on permanent contracts and those who hold other types of appointment with the Organization.

XI.8. The Advisory Committee notes from paragraph 31.6 of the proposed programme budget that a number of projects proposed for 1998-1999 are either projects that were already approved by the General Assembly but were deferred owing to the need to undertake other unforeseen emergency projects, or are a continuation of previously approved multi-year projects. Table 31.3 of the proposed programme budget provides, as requested by the Committee, information on the status of projects proposed for 1998-1999; as can be seen from the table the estimated cost of projects deferred from prior periods amounts to $1.5 million in alterations/improvements and $3.5 million in major maintenance. In response to its enquiry, the Committee was informed that the main reason for the deferral was the need to reduce spending during the biennium.

XI.9. The Advisory Committee recalls, in this connection, that it had, in the past, expressed concern about the high proportion of projects deferred from the previous biennium in the total proposed requirements for alterations/

improvements and major maintenance. The Committee points out that the deferral of approved projects in alterations/improvements and major maintenance, although resulting in reduced spending during the current biennium, does not necessarily generate "real" savings for the Organization; on the contrary, the more time that is lost for the completion of such projects, the more expensive they may become. Therefore, the Committee does not endorse the practice of the deferral of projects in alterations/improvements and major maintenance in the interest of reducing spending per se or showing apparent savings, nor does it approve of the tendency of resorting to funds approved for such projects in order to finance other activities.

XI.10. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[1] it requested the Secretary-General to clarify to what extent the current mechanism of programme support costs charged to extrabudgetary funds provided an adequate recovery of expenditures incurred by the Organization in maintaining buildings in which space was provided to staff funded from extrabudgetary sources, and to propose, if required, the necessary changes to the current cost-recovery mechanism in the context of his next budget submission. The Committee notes with concern that this request was not addressed in the budget submission.

XI.11. The Advisory Committee was informed, upon request, that the Secretary-General is of the view that the fundamental requirements to enable the Organization to exist and to exercise its functions and powers within the scope of the Charter should be covered under the regular budget; capital expenditures for maintaining the land and structures of the Organization remain the collective responsibility of Member States and financing of such activities should be borne by the Members of the United Nations as apportioned by the General Assembly. Moreover, the Secretary-General is of the view that programme support funds continue to provide for backstopping expenditures, inter alia, rental of space occupied by staff funded from extrabudgetary sources. The use of programme support funds is not considered appropriate for major maintenance and alteration and improvement projects of the Organization's capital assets based on the similar rationale applied in those cases where space is rented by the United Nations, but any of the costs related to works to the structure, particularly as it impacts on the value of the property, remains the responsibility of the owners of the premises. The Committee has no objection to the above; indeed, its concern was related solely to the need to charge extrabudgetary funds a fair share of the costs for accommodating extrabudgetary staff; this should take into account, inter alia, the cost of maintenance.

XI.12. In connection with the proposed requirements of $39,100 and $232,700 for fees for architects and construction and engineering consultants for the United Nations Office at Geneva, the Committee recommends that all such requirements be justified in future budget submissions in terms of specific projects to be undertaken with the assistance of consultants and the time to be spent by them on each such project.

XI.13. While not recommending reductions to the estimated requirements proposed by the Secretary-General under section 31, the Advisory Committee trusts that every effort will be made to implement projects in buildings management with maximum efficiency. Furthermore, the Committee requests that measures be taken to allow for the provision of adequate conference services and related facilities throughout the year. The Committee also requests the Secretary-General to include in his final performance reports detailed information on the status of implementation of all projects in buildings management approved for the biennium.

PART XII. STAFF ASSESSMENT

Section 32. Staff assessment

XII.1. As indicated in paragraph 32.1 of the proposed programme budget for the biennium 1998-1999, the salary and related emoluments of United Nations staff members are subject to the assessment rates in regulation 3.3 of the Staff Regulations of the United Nations and amendments thereto. The Advisory Committee notes that, for the purpose of comparability with the work programme and budget proposals of other organizations of the United Nations system, the Secretary-General has estimated the staff costs net of staff assessment under the various sections of expenditure of the proposed programme budget. The difference between gross and net salaries amounts to $324,600,100 for 1998-1999 and is requested by the Secretary-General as a global amount under expenditure section 32.

XII.2. The Advisory Committee notes that, in accordance with the current budgetary procedure of the United Nations, amounts withheld in the form of staff assessment are revenue to the Organization. Accordingly, the amount of $324,600,100 requested under section 32 is reflected in income section 1, Income from staff assessment, which also includes staff assessment income from staff charged to revenue-producing activities, as indicated in paragraph IS1.2.

B. ESTIMATES OF INCOME

Income section 1. Income from staff assessment

IS1.1. The Secretary-General estimates $329,104,900 as the amount of staff assessment under expenditure section 32 and under income section 3. The amount of staff assessment not otherwise disposed of by specific resolution of the General Assembly will be credited to the Tax Equalization Fund established by the Assembly in its resolution 973 A (X) of 15 December 1955 for distribution to Member States in accordance with the scale of assessments for the regular budget applicable to the financial year concerned.

IS1.2. The total estimate under income section 1 is $4,504,800 more than the total estimate under section 32 because the former includes income from staff assessment derived from emoluments of staff who are charged to revenue-producing activities under income section 3; on the other hand, the staff assessment paid to such staff is shown under income section 3 rather than under section 32.

Income section 2. General income

IS2.1. As indicated in tables IS2.1 and IS2.2 of the proposed programme budget, the total estimate of general income for the biennium 1998-1999 amounts to $35,135,800, a decrease of $46,883,800, compared with the estimate of $82,019,600 for 1996-1997. The Advisory Committee notes from table IS2.4 a decrease of $25,963,900 in the reimbursement for services provided to specialized agencies and others. As indicated in paragraph IS2.2, the introduction of net budgeting for conference servicing and security and safety services in Vienna under the expenditure section will decrease the estimates under income, but the exact amount was not provided. The decrease of $1 million under telecommunications services is the result of a reduction in the rates charged to users and the anticipated reduction in peacekeeping missions.

IS2.2. The Advisory Committee notes from paragraph IS2.1 and table IS2.3 that income from payment of rentals, by a number of specialized agencies and other entities connected with the activities of the Organization, for the occupancy of the United Nations premises in New York, Geneva, Addis Ababa, Bangkok and Nairobi is projected to decrease by $4,246,300, from $16,549,900 in 1996-1997 to $12,303,600 in 1998-1999. The projected decrease of $395,100 for New York is a result of ongoing lease negotiations between the United Nations and the United Nations Development Corporation for premises at the United Nations Development Corporation (DC) buildings. Upon enquiry, the Committee was informed that the agreement for premises rented in the DC buildings is yet to be signed.

IS2.3. With regard to the loan made by the United Nations to UNIDO, the Advisory Committee was informed that out of the amount of $16 million, $9 million was still outstanding.

Income section 3. Services to the public

IS3.1. As indicated in paragraph IS3.2, the estimate for net revenue under income section 3 for the biennium 1998-1999 is projected at $5,271,400, which represents an increase of $3,050,000 over the revised estimates for 1996-1997 of $2,221,400. Revenue-producing activities are carried out at Headquarters and at Geneva and Vienna by the Office of Conference and Support Services, the Department of Public Information, the United Nations Office at Geneva, the United Nations Office at Vienna, the Department for Economic and Social Information and Policy Analysis and the Office of Programme Planning, Budget and Accounts.

IS3.2. The Advisory Committee requests the Secretary-General to explore ways in which fixed costs can be made more flexible, including staff costs. In this connection, the Committee was informed that out of 134 posts requested for 1998-1999 under this section, 98 are permanent.

IS3.3. Upon enquiry as to the steps taken to implement reports of the Office of Internal Oversight Services, the Advisory Committee was informed that with regard to the catering activities, the finalization of a draft request for proposals for operation of the catering facilities at Headquarters was delayed until November 1996 in order to take into account the findings of the Office of Internal Oversight Services. The Committee was also informed that the Office of Internal Oversight Services was kept fully informed of the contract negotiations and that draft copies of the final contract were provided to them to ensure that their concerns and comments were incorporated.

IS3.4. In connection with the implementation of paragraph 14 of the report of the Office of Internal Oversight Services on the audit of the United Nations Postal Administration (UNPA) (A/51/897), the Advisory Committee was informed that UNPA was actively exploring alternative methods of distribution, including greater cooperation with national postal administrations, under which a national postal administration would be allowed a commission on the stamps it sold but would be required to perform the distribution functions and the role of UNPA would simply be to provide the philatelic material in bulk. The Committee was also informed that UNPA was seeking the cooperation of major distributors/dealers in undertaking publicity campaigns and providing the dealers with stamps in bulk to sell through their own mailing lists.

IS3.5. The Advisory Committee notes from table IS3.22 that a deficit is projected for 1998-1999 in connection with the garage operations at Vienna. The Committee requests that steps be taken to remove the deficit.

IS3.6. In connection with gift items, the Advisory Committee notes from paragraph IS3.51 that in 1997, the activities related to gift items at Headquarters were contracted out to a retailer. The Committee trusts that the performance of the vendor will be carefully monitored so that the royalty payments to the United Nations may be increased.

IS3.7. With regard to services to visitors at Headquarters, under the responsibility of the Department of Public Information, the Advisory Committee notes from paragraph IS3.103 that ticket prices during the biennium 1998-1999 will be increased for adults and senior citizens to $7.50 and $5.50 respectively. The Committee is of the view that the increase in ticket prices may lead to a reduction in revenue and may be counterproductive.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

[2] Ibid., Forty-eighth Session, Supplement No. 7 (A/48/7), para. I.6.

[3] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. II.4.

[4] Ibid., para. II.15.

[5] Ibid., para. II.13; and ibid., Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.12.

[6] Official Records of the General Assembly, Fifty-first Session, Supplement No. 7 (A/51/7/Add.1-9), document A/51/7/Add.1, annex 2.

[7] Ibid., Fifteenth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. II.31.

[8] Ibid., Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.11.

[9] Ibid., Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. III.4.

[10] Ibid., Fifty-first Session, Supplement No. 6 and corrigendum (A/51/6/Rev.1 and Rev.1/Corr.1).

[11] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. III.24.

[12] Ibid., para. III.19.

[13] Ibid., para. III.20.

[14] See Official Records of the Economic and Social Council, 1997, Supplements Nos. 7 and 6 (E/1997/27 and E/1997/26) and E/CN.5/1997/11, chap. III.

[15] Official Records of the General Assembly, Fiftieth Session, Supplement No. 6 (A/50/6/Rev.1), para. 8.66.

[16] Ibid., para. 9.54.

[17] Ibid., para. 10A.4.

[18] TD/B/43/2-TD/BWP/96.

[19] See, for example, Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. VII.17.

[20] Official Records of the General Assembly, Fifty-first Session, Supplement No. 5F (A/51/5/Add.6).

[21] Ibid., Fifty-second Session, Supplement No. 25 (A/52/25).

[22] UNEP/GC.19/18, para. 13.

[23] See UNEP/GC.19/L.1, annex, paras. 17-21.

[24] Ibid., para. 20.

[25] See, for example, HS/C/16/12/Add.1 and HS/C/15/8/Add.1.

[26] Official Records of the General Assembly, Fifty-first Session, Supplement No. 5H (A/51/5/Add.8).

[27] See HS/C/16/12/Add.1, paras. 11 and 12.

[28] See HS/C/15/8, paras. 32 and 33.

[29] HS/C/16/12/Add.1.

[30] E/CN.15/1997/20.

[31] See Official Records of the Economic and Social Council, 1997, Supplement No. 10 and corrigendum (E/1997/30 and Corr.1).

[32] See E/CN.7/1997/8, para. 8.

[33] E/1997/48.

[34] E/1997/56.

[35] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. V.8.

[36] Ibid., Forty-sixth Session, Supplement No. 7 (A/46/7), para. 23.17.

[37] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. V.10.

[38] LC/G.1964.

[39] See A/AC.96/884, para. 63.

[40] A/AC.96/884.

[41] Official Records of the General Assembly, Fifty-second Session, Supplement No. 1 (A/52/1).

[42] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. VIII.22.

[43] Ibid., para. VIII.19.

[44] Ibid., para. VIII.17.

[45] Ibid., para. VIII.29.

[46] Ibid., Forty-fourth Session, Supplement No. 7 and corrigenda (A/44/7 and Corr.1 and 2), para. 28D.2.

[47] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. VIII.28.

[48] Ibid., para. VIII.34.

[49] Ibid., para. VIII.33.

[50] E/1997/88, paras. 5 and 7.

[51] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.16.

[52] ACC/1997/2 and Corr.1, para. 27.

[53] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. VIII.40.

[54] Ibid., para. VIII.31.

[55] Ibid., para. VIII.42.

[56] Ibid., Supplement No. 7A (A/50/7/Add.1-16), document A/50/7/Add.13.

[57] Ibid., Forty-ninth Session, Supplement No. 5 (A/49/5), vol. I, chap. II, paras. 141 and 145.

[58] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. VIII.47.

[59] Ibid., para. VIII.48.

[60] Ibid., para. VIII.51.

[61] Ibid., para. VIII.56.

[62] Ibid., para. VIII.88

[63] ibid., para. IX.9.

[64] Ibid., para. IX.17.

[65] Ibid., Fifty-first Session, Supplement No. 5 (A/51/5), note 22.

[66] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. IX.20.